

**For Immediate Release**

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**A Year-end Bay Message from the Coalition for an Affordable Bay Solution:  
Address Reducing the Massive Cost of Chesapeake Bay Nutrient Compliance  
in 2016**

**MANHEIM, Pa.-(December 29, 2015)** - While the budget impasse between Democratic Governor Tom Wolf and the Republican-led legislature has dominated the news, the Commonwealth's failure to meet Chesapeake Bay nutrient reduction targets and its lack of a plan to cure the regulatory default one year into the Wolf administration has been largely ignored.

The Coalition for an Affordable Bay Solution (CABS) is a single-issue advocacy group consisting of private sector interests focused on reducing the massive cost of Bay compliance. CABS members have compiled the following statements, positions and realities that we see as fact entering the New Year:

- In January 2013, the bipartisan Pennsylvania Legislative Budget and Finance Committee (LBFC) study recommended replacing the existing government-centric sector allocation approach with a lean, competitive bidding and procurement program. Such an approach would enable private sector competition and reduce compliance costs by up to 80 percent or \$1.5 billion annually by 2025. The vast majority of this \$1.5 billion in annual savings would benefit the Susquehanna watershed.
- This is not some radical idea. The LBFC recommendation was designed to do what federal, state and local governments have done to prevent waste, fraud and abuse in their purchasing of goods and services for decades - using a competitive bidding program to inject private sector competition into the procurement process in a transparent and accountable manner. The LBFC proposal would create accountability where virtually none exists. It would transfer financing and performance risk to the private sector by purchasing verified results instead of funding solutions with uncertain future performance.
- There is virtually no accountability under the present system. Best Management Practices (BMPs) are financed with grant dollars from federal,

state and other sources and the accountability stops at the ribbon cutting. Are the projects operating as modeled? Are they even operating? How much is being spent through all state departments on Bay compliance? How can anyone claim that these programs are in compliance with the state's fiscal code if no one can answer these basic questions? Should anyone be shocked that after decades of funding, the EPA and other independent studies have all concluded that these approved BMPs have only produced 50 percent at best of their modeled reductions? This failure is being paid for by the tax and rate payers since they are responsible for the performance risk associated with the existing system.

- The LBFC is a standing bi-partisan committee of the legislature and their recommendations have been on the table since 2013 to address the issue. Alternative projects that were developed to reduce costs, funded by the Pennsylvania Infrastructure Investment Authority (PENNVEST) for over \$20 million, currently stand idle and in default due to the lack of a viable nutrient credit market. Legislation to implement the independent LBFC recommendations, introduced by Senator Elder Vogel, Jr., and supported by CABS, state agricultural organizations as well as some national organizations, were and continue to be opposed by the Pennsylvania Department of Environmental Protection (DEP). The DEP has opposed competitive bidding and the use of any existing funding to implement reforms.
- There was no alternative to the LBFC recommendations in 2013 and none exists today. The reasons are the same. The existing system is opaque and unaccountable; it is hugely inefficient and costly; and it restricts private sector competition. As an example, if the state's telephone procurement program functioned in the same manner, all state employees would still have corded desk phones and cell phones would not be an approved device.
- Senator Vogel's proposed legislation is focused initially on addressing and reducing the cost of the State's stormwater mandate, which has an existing source of funding. The DEP's projected cost for stormwater management is more than \$5 billion, and the Vogel legislation seeks to provide a low-cost alternative to the nutrient mandate.

While the DEP remains opposed to implementing the LBFC recommendations, CABS remains cautiously optimistic that once the budget has been resolved, the Wolf administration will engage the legislature to implement the LBFC

recommendations. Growing consensus in both the legislature and in some corners of the administration is that the existing system must be reformed. We believe that the administration will opt for curing the Bay default at significantly less cost rather than having to defend the status quo of failure and taxpayer abuse.

CABS is prepared to work with the legislature and the administration on this issue.

CABS will continue to post studies on our website and welcome new supporters. Membership is free. For more information on the Coalition for an Affordable Bay Solution, please visit [AffordableBaySolutions.org](http://AffordableBaySolutions.org).

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