

For Immediate Release

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**The DEP's Chesapeake Bay Reboot Plan
Analysis by the Coalition for an Affordable Bay Solution (CABS)**

MANHEIM, Pa. – February 3, 2016 – In January 2013, a Pennsylvania Legislative Budget & Finance Committee (LBFC) study projected that the cost of Bay compliance for Pennsylvania tax and rate payers could be reduced by up to 80 percent if a competitive bidding program was adopted to replace the existing, decades-old Department of Environmental Protection (DEP) sector allocation program. The LBFC found the availability of large-scale, low-cost, verified nutrient reductions could be procured in the same manner as any other commodity from alternative sources. In short, the LBFC said that replacing sector allocation with a competitive bidding program would enable the private sector to compete and provide low-cost, large-scale, verified nutrient reductions to meet the Bay mandate.

The simplicity of the solution didn't account for the political difficulty to implement. Since the issuance of that study more than three years ago, the DEP has repeatedly thwarted any regulatory or legislative effort to implement a competitive bidding program. Why? The mantra of the DEP and other entrenched interests has been "We have a plan and all we need is more money."

DEP is asking for 25 new employees and additional resources to implement solutions that DEP has designated as most cost effective. This will result in more engineering services, construction projects and bond offerings related to these public infrastructure projects. The Reboot Plan protects those interests at the expense of the taxpayer and the environment.

Competitive bidding prioritizes the interests of the taxpayer and the environment over those of entrenched stakeholders. Presently, no state agency, including the DEP, is directly responsible to ensure that the use of taxpayer funds meets the

requirements of “cost effective” and “considered alternatives” as it relates to the Bay mandate. Where is the accountability? Competitive bidding is the gold standard in providing the taxpayer with a transparent process resulting in accountable and enforceable low-cost solutions.

Nitrogen is the cost driver in the Bay mandate and it is mobile. The LBFC determined that all verified pounds of nitrogen reduction in the Bay were equal irrespective of source, technology or practice utilized. The Reboot Plan continues to sector allocate nitrogen and inhibit private sector competition, thereby mandating the continued adoption of high-cost Bay solutions. The LBFC study further proposed, and the enabling legislation required, that measurable local environmental benefits outside of the Bay mandate be included in the evaluation of low-cost alternatives to drive improvements in Pennsylvania freshwater resources.

The LBFC competitive bidding program shifts power from the entrenched interests to taxpayers and their elected representatives. Communities would be provided with low-cost alternatives and no longer be forced to adopt high-cost bundled solutions to meet the Bay mandate.

- Would the taxpayers of Danville have opted for a wastewater treatment plant upgrade that resulted in rate increases of 300 percent when they could have achieved the required Bay mandates for a small fraction of the cost using alternative sources?
- Will Christiana Borough voluntarily adopt a plan for similar plant upgrades to meet their Bay mandates when solutions costing up to 80 percent less from alternative sources are available? They likely will because, like Danville, DEP isn't offering them a program with alternatives.
- Does anyone believe that these taxpayers would voluntarily support significantly higher cost solutions to the Bay mandate when proven, less costly solutions are available? And who is accountable to the taxpayer for these costly decisions?

High-cost solutions are being forced upon communities to meet their Bay mandates when significantly lower-cost, private sector solutions are available. The Reboot Plan will grow government and economically benefit those providing services to those government programs at the expense of the taxpayer and the environment. DEP has missed Bay reduction targets for decades, yet it continues to press the same old program (stay the course, just add more money) and states confidently that the Reboot will meet the 2025 compliance targets. Presenting a Reboot Plan absent performance standards, metrics and costs is a request for a blank check. That does not constitute a plan.

In conclusion, the allocation of resources is a political decision. The DEP's Reboot Plan favors the existing entrenched stakeholders over the taxpayers and the environment. The DEP needs to modify its Reboot Plan to be more inclusive by enabling large-scale, low-cost verified credits from private sector agriculture to be part of the solution through a competitive bidding program. With no support from the DEP and the Wolf administration to include these private sector alternatives to benefit the taxpayer, it falls to the legislature to stop this taxpayer abuse.

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 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.