

For Immediate Release

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Secretary Quigley's Reboot Plan Doesn't Add Up

MANHEIM, Pa. – March 23, 2016 – In recent testimony, John Quigley, Secretary of the Pennsylvania Department of Environmental Protection (DEP), presented his plan for installing 95,000 acres of forested riparian buffers as a key component of the Department's Chesapeake Bay Reboot Plan. The Secretary's proposal would require the installation of approximately 800 miles of buffers per year for 10 years. For perspective's sake, consider that the Pennsylvania Conservation Reserve Enhancement Program installed a total of 388 acres of forested riparian buffers in its 2014-2015 program year. In addition, according to the Susquehanna River Basin Commission there are approximately 3,800 stream miles in the Susquehanna River watershed that are impacted by nutrients and sediment. That equates to only half of the total stream miles required to meet the Reboot plan over 10 years.

Secretary Quigley also testified that nitrogen credits from riparian buffers are available at less than \$2 per lb. However, the RTI International study commissioned by the Chesapeake Bay Commission projected average annual best management practices (BMP) costs for nitrogen removal at \$54 per lb. The 2015 [Maryland's Chesapeake Bay Restoration Financing Strategy Report](#) estimated the average cost to remove nitrogen using best management practices in Maryland was approximately \$44 per pound of nitrogen removed annually. The report was prepared by the University of Maryland's Environmental Finance Center. Both riparian buffers and cover crops were included in these assessments.

The Secretary refers to low cost riparian buffer credits as his basis for ignoring technology solutions and opposing competitive bidding. The Secretary stated, "The LBFC study said procurement (competitive bidding) could cut the cost of Bay compliance. And very frankly, if we went out into a procurement mode, they (the BMPs) would be the winners and not the technology credits. There is no comparison, and that particular argument doesn't withstand economic scrutiny. Buffers would be the clear winners."

As CABS has stated, if \$2 per lb. nitrogen reduction credits from riparian buffers are available to meet the Bay mandate, then the Commonwealth has no need for competitive bidding. Nor does the Commonwealth need additional funding to meet the Bay mandate since present Bay BMP spending is \$127 million and the total cost to meet the 24 million lbs. of nitrogen mandates would be \$48 million annually. Yet, the Secretary continues to state that the most reliable estimate of the

resources required to meet the mandate is \$5.6 billion including operations and maintenance through 2025.

The Secretary can't have it both ways and owes it to the legislature and the public to reconcile these two irreconcilable statements to the appropriations committee. This is taxpayer money and the difference in these two conflicting taxpayer requirements is billions of dollars that will have real consequences to taxpayers. Either the cost of Bay compliance is \$50 million annually and therefore no additional funding is required or the cost is \$5.6 billion. If the latter is the case, the taxpayers of the Commonwealth are in need of technology credits through a competitive bidding program that would reduce costs by up to 80 percent from present levels. The DEP has steadfastly opposed this cost-saving competitive bidding.

Recently, CABS has published responses (<http://affordablebaysolutions.org/>) to Secretary Quigley's Chesapeake Bay Reboot Plan. Our responses have focused on the huge excess Bay compliance costs being imposed upon the taxpayer while significantly lower-cost private sector alternatives are ignored.

If the Commonwealth's priorities for the Bay program are environmental compliance at the lowest cost to taxpayers, then competitive bidding needs to be adopted. Secretary Quigley's favored approach imposes a huge excess cost upon taxpayers. Competitive bidding provides a transparent and accountable process as a replacement to the opaque and unaccountable sector allocation process now being deployed. This is not a partisan issue and it should be a bipartisan undertaking. The existing excess costs being imposed upon Pennsylvania families represent the single largest tax increase they will ever see. The scale of the tax increase and its impact on working families makes addressing this issue a moral imperative. If the DEP and the administration continue to fail to act, then it is incumbent upon the legislature to act independently in the interests of the taxpayers.

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.

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