

## Chesapeake Bay and Water Resources Policy Committee

**Date: Friday, Jan. 19, 2007**

**Time: 10:00 a.m.– 12 noon \***

**Place: Room 1, Lobby Level**

**777 North Capitol Street, NE**

**Washington, DC 20002**

*\*Lunch will be available for committee members and alternates after the meeting.*

### Meeting Agenda

- 10:00 **1. Opening Remarks and Introductions** ..... Hon. Martin Nohe  
Chair, Prince William County

Mr. Nohe has been appointed as the new chair of the committee by COG Board Vincent Gray.

- 10:10 **2. Selection of committee vice chairs for 2007** ..... Members

The CBPC bylaws call for the committee to select vice chairs from the state-level jurisdictions not represented by the Chair, in this case, Maryland and the District of Columbia.

Recommended Action: Approve CBPC Vice Chairs from Maryland and the District of Columbia

- 10:15 **3. Approval of Meeting Summary for Nov. 17, 2006** ..... Chair Nohe

Recommended action: Approve DRAFT Meeting Summary (Att. 3).

- 10:20 **4. Review of “Endocrine Disruptors” Draft Report** ..... Tanya Spano  
Steve Bieber, COG staff

Following a November briefing on the issue of “intersex fish” found in the Potomac River, the COG Board directed the committee, in conjunction with key stakeholders, to assess the regional public health and environmental concerns posed by endocrine disruptors, which are the agents thought to be responsible for this problem. A subset of a wider group of what have become known as “compounds of emerging concern,” the endocrine disruptors include various natural and man-made chemicals. The committee is due to report to the Board in February on existing data regarding these compounds and any potential solutions for addressing this issue. Information (see Att. 4) has been prepared by staff with input from various stakeholders and reviewed by COG’s Water Resources Technical Committee (WRTC).

Ms. Spano and Mr. Bieber of COG staff will review key findings. Ms. Spano will also convey the WRTC's comments for finalizing the report before its transmittal to the COG Board.

Recommended Action: Provide input on additional information that should be incorporated into the final report and on specific committee recommendations.

10:45 **5. Committee Focus for 2007** ..... Chair Nohe, members

COG staff has prepared a set of potential items (Att. 5) on which the committee could focus particular attention during the coming year, including both longstanding issues before the committee, such as nutrient use in urban regions, and potential new items, such as Bay reforestation policy. Chair Nohe will solicit input from members on these and other items of interest to individual members. COG staff also will identify any additional topics or priorities that the WRTC recommended.

Recommended action: Establish a set of priorities for committee action in 2007.

11:10 **6. Update on Federal Funding Prospects** ..... Peter Marx, Hilary Falk  
Northeast-Midwest Institute

The congressional Chesapeake Bay Watershed Task Force, comprised of House members whose districts are located in the watershed, has sent a letter (Att. 6) to the Office of Management and Budget with its requests for federal funding for various Bay-related initiatives in President Bush's fiscal 2008 budget. Mr. Marx and Ms. Falk, who serve as staff to the Task Force, will review the requests of potential interest to COG's members and discuss how COG and its member governments might work more closely with the Task Force on federal appropriations issues.

Recommended Action: Discuss COG's interest in partnering with Bay Watershed Task Force.

11:35 **7. CBPC Policy Actions** ..... COG staff

**Chesapeake Bay State Legislative Initiatives**

COG staff will outline what is currently known about proposed legislation regarding the Bay in the Maryland and Virginia general assemblies and recommend which initiatives COG may wish to support. (See Att. 7a for Chesapeake Bay Foundation priorities.)

Recommended Action: Identify COG priorities regarding Bay legislation and consider how to work with COG's new Policy Liaisons Committee to advocate regional positions. As appropriate, formulate recommendations for the COG Board to consider at its February meeting.

**Federal Farm Bill Policy Position**

COG staff has drafted a committee letter (Att. 7b) in support of enhanced funding for the Conservation Security Program as a follow-up to committee discussions with Farm Bureau representatives at the November 2006 meeting and earlier meetings with Chesapeake Bay Commission representatives.

Recommended Action: Endorse recommended federal farm bill policy position for COG and direct transmission of letter to the appropriate congressional committees.

11:55 **8. Committee Updates**..... COG staff

COG staff will present brief updates on various items of potential interest to the committee.

**State of Chesapeake Forests Report**

**Captain John Smith Historic Trail Commemoration Plans**

**Student Action Committee for Trash Free Potomac Watershed Initiative**

**COG Green Building Policy**

12:10 **9. New Business**..... Members

12:15 **10. Adjourn**

The next meeting is scheduled for Friday, March 16, 2006, 10 a.m. – 12 noon.

(Remember: COG will reimburse members and alternates for Metro fares.)

Enclosures/Handouts:

- Item 3 DRAFT meeting summary of Nov. 19, 2006
- Item 4 (Materials to be provided separately)
- Item 5 COG staff recommendations for committee priorities in 2006
- Item 6 Letter of Oct. 30, 2006, from Chesapeake Bay Watershed Task Force to Rob Portman, Director, Office of Management and Budget; Letter of Jan. 2, 2007, from Chesapeake Bay Commission to Mr. Portman
- Item 7a Chesapeake Bay Foundation 2007 legislative priorities
- Item 7b DRAFT letter on federal farm policy

**CHESAPEAKE BAY and WATER RESOURCES POLICY COMMITTEE**  
**777 North Capitol Street, N.E.**  
**Washington, D.C. 20002**

**DRAFT MINUTES OF NOVEMBER 17, 2006, MEETING**

**ATTENDANCE:**

**Members and alternates:**

Chair John Lovell, Frederick County  
Penelope Gross, Fairfax County  
Martin Nohe, Prince William County  
Thomas Dernoga, Prince George's County  
Andy Fellows, College Park  
Uwe Kirste, Prince William County  
Jerry Maldonado, Prince George's County  
Edward Putens, City of Greenbelt  
Claudia Hamblin-Katnik, City of Alexandria  
J. L. Hearn, WSSC  
Mohsin Siddique, District of Columbia Water and Sewer Authority

**Guests:**

Wilmer Stoneman, Virginia Farm Bureau Federation  
Buddy Hance, Maryland Farm Bureau  
Valerie Connelly, Maryland Farm Bureau

**Staff:**

Stuart Freudberg, DEP Director  
Ted Graham, DEP Water Resources Director  
Tanya Spano, COG staff  
Steve Bieber, COG staff  
Heidi Bonnaffon, COG staff  
Karl Berger, COG staff

**1. Introductions and Announcements**

Chair John Lovell called the meeting to order at 9:45 a.m. He noted that this would be his last meeting as chair and his last meeting as a participant in COG activities.

**2. Approval of Meeting Summary for Sept. 15, 2006**

Acting as a committee of the whole in the absence of a quorum, the committee approved the meeting summary by consensus.

**3. Update on "Compounds of Emerging Concern" Issue**

Ms. Spano of COG staff noted that following a briefing on this issue in November, the Board of Directors had directed under Resolution R46-06 that the committee study the issue and report back in January. COG staff, she said, has been working with members of COG's Water Resources Technical Committee to gather information. Given the

complexity of the issue and the need for further study, staff is recommending that the committee delay its response to the COG Board until February, after January meetings of both the WRTC and the CBPC. Ms. Spano did distribute a one-page document that outlined plans for conferring with stakeholders, gathering information and compiling a report. The document provided several examples of the kind of recommendations that could be made in such a report. However, she noted, a preliminary discussion with the WRTC members indicated that they are concerned the region may over-react to the media attention focused on this issue. The WRTC members said the dimensions of the problem are not yet clear and it may be premature to implement “solutions,” she said.

Discussion:

Mr. Fellows asked if the WRTC members are in touch with national environmental groups on this issue. Ms. Spano said staff would include them as one of the outside resources to be consulted.

Chair Lovell echoed the caution that the WRTC members expressed, saying that he is concerned about how much we don't know about this issue and noting the need for caution in recommending actions. In response, Mr. Bieber of COG staff noted that the potential actions listed in the outline were derived from those already being taken by certain regions of the country and represent what he termed a “common-sense approach” to the issue that could be undertaken while more research is conducted to better understand what is happening. These include ideas such as conducting collection efforts for unwanted or unused medications, which amounts to a sort of source reduction effort.

Mr. Kirste, the chair of the WRTC, said the issue clearly needs more scientific research before major actions are implemented; however, he said, there may be some “low-hanging fruit” that it make sense to implement sooner.

Ms. Gross asked if there are ongoing discussions about how to sponsor more research on this issue. Ms. Spano said that EPA and various water industry groups are currently sponsoring such research. However, Mr. Bieber noted that at a recent congressional hearing on this issue, EPA was criticized for not doing more. He suggested that encouraging more applied research on this issue may be a recommendation COG might wish to make.

Chair Lovell said several of the ideas listed in the staff document as potential actions appear promising, such as the implementation of advanced filtering technology at the area's water plants to protect human health and the idea of including some of these compounds in hazardous household collection efforts sponsored locally or at the regional level.

Mr. Siddique echoed some of the WRTC comments relayed earlier by Ms. Spano, saying that society is only at the beginning of understanding this issue and noting the complexity of trying to understand the environmental consequences of literally thousands of compounds used by consumers.

Action Item: The committee agreed to defer its report to the COG Board until the February 2007 meeting.

4. **Dialogue on 2007 Federal Farm Bill Proposals**

Mr. Berger of COG staff introduced this item, noting that the committee had previously heard from the Chesapeake Bay Commission on its recommendations for changing federal farm policy to provide more funds for reducing nutrient and sediment run-off from agricultural lands. He noted that the focus of those recommendations – and those of other groups interested in this issue – are the various federal assistance programs authorized under what is known as the “Conservation Title” of the comprehensive “farm bills” periodically approved by Congress. A new farm bill is due to be approved in 2007, he noted. COG staff invited representatives of the major farm organizations in Maryland

and Virginia to present their views on the Bay Commission proposals and on conservation farm policy in general.

In his opening remarks, Mr. Stoneman, the public affairs director for the Virginia Farm Bureau Federation, said that farmers in his state are committed to protecting the environment. He said the issue identified in the Bay Commission's farm policy report of lack of sufficient progress by agriculture in reducing nutrient and sediment in run-off does not reflect all the progress farmers have made, particularly when it is made outside of cost-share assistance programs offered by the government. The Bay Commission's report focused on how to get more money for Mid-Atlantic farmers from both existing programs and potential new ones, but Mr. Stoneman said the problem is not always lack of funds. The inflexibility in the rules of some current programs and the lack of technical assistance in enabling farmers to sign up for the programs are sometimes barriers, he said.

Buddy Hance, the president of the Maryland Farm Bureau and a farmer in Calvert County, said his fellow farmers have a problem with the computer models the Bay Program uses to track progress toward its goals. Farmers, he said, don't get credit for conservation measures they may have taken outside of federal and state programs. Maryland's implementation of mandatory nutrient management regulations in 1998, for example, has not meant any changes in the way his own farming operation handles fertilizer, he said.

#### Discussion:

COG staff had prepared several questions for the farm representatives to address. One of these, as noted by Mr. Berger, was whether diverting money from other parts of the farm bill -- such as the federal programs designed to provide financial assistance to growers of certain commodities -- to conservation programs would mean more overall federal dollars for farmers in the Mid-Atlantic region, as the Bay Commission report argues. Mr. Stoneman said the answer is not clear. Although local farmers tend to receive a small share of overall commodity program payments nationwide, he said, the amounts they do receive go directly to their bottom lines. This is not necessarily the case with conservation program payments, which may be directed to owners of the land. In Virginia, he said, farmers only directly own 10 – 20 percent of the land they farm.

Ms. Gross wondered if more effective lobbying is responsible for the concentration of federal farm program dollars being expended in the Midwest. She said she has experienced firsthand the consistency with which representatives of the Great Lakes initiative lobby for federal funds and wondered if the lobby for Bay funding in Washington is strong enough.

Given its relatively minor contributions to the nation's overall agricultural output, Mr. Hance said it is not clear that agriculture in the Mid-Atlantic region can ever get its "fair share" of federal farm program dollars, however that may be defined. He said it would be a mistake to suppose that local farmers do not benefit from these programs, noting that 60 percent of Maryland farmers receive some benefits.

Mr. Stoneman added that federal funds for agriculture are limited and that increasing conservation program funds would likely reduce funds in another sector of the farm bill. He said local farmers are happy with the balance as it currently exists.

Asked if there are any current or new conservation programs for which they would support more funding, Mr. Hance mentioned EQIP – the Environmental Quality Improvement Program and the Conservation Security Program (CSP). He singled out the CSP, which provides benefits for farmers who go beyond typical baseline conservation efforts such as nutrient management and no-till, as particularly worthy of additional funding. He said the fairly new program has to date only been offered to farmers in three watersheds in the state. Mr. Stoneman said the CSP is only offered in 4

watersheds in Virginia. Mr. Fellows suggested the program's coverage should be expanded to include the entire Bay watershed. Although neither spokesman disagreed with this suggestion, Mr. Stoneman mentioned that there also are problems with how such programs are implemented and with rules that discourage farmers from participating. Ms. Gross said the committee would take from these discussions the principle that new federal spending for conservation programs should not come at the expense of other federal farm programs.

Noting that she has long advocated such conversations, Ms. Gross expressed enthusiasm for today's dialogue between urban and rural interests. She said she hopes a similar dialogue can address other issues in the future.

Chair Lovell expressed his appreciation for the willingness of the farm representatives to take the time to travel to Washington to participate in the meeting.

Action Item: The committee directed COG staff to craft a recommendation for federal farm policy regarding conservation program funding that could be considered at the next meeting.

**5. FY 2008 Federal Funding Prospects for Bay Restoration**

This item was deferred.

**6. Proposal for Amending Committee Bylaws**

This item was deferred.

**7. Committee Updates**

This item was deferred.

**8. New Business**

None was offered.

**9. Adjourn**

The meeting was adjourned at 12 noon.

## CBPC Focus for 2007

Recommendations developed by COG staff  
January 10, 2007

### Longstanding Issues

- **Funding -- Continue to encourage the development of new or greater sources of state and federal funding for the Bay restoration effort**
  - Federal – Work with Chesapeake Bay Task Force on FY 08 budget requests
  - Federal – Send letter in support of federal Farm Bill provisions for conservation funding
  - State – Support appropriate state legislative initiatives in Maryland and Virginia
  
- **Compounds of emerging concern**
  - COG staff is currently preparing a report that will be presented to the COG Board in February. The committee is likely to be tasked (with the technical support of the WRTC) with overseeing implementation of any recommendations – which may include seeking additional information/advice, continuing to monitor and report on the issues, working with other stakeholder groups, advocating for additional research, and potentially seeking funding and support to implement regional education and/or pilot projects.
  
- **Nutrient use in urban regions**
  - The committee and COG staff have been working with representatives of the Scotts Miracle-Gro Company on the possibility of jointly sponsoring public outreach messages on environmentally friendly lawn care practices. Staff expects to continue this work in 2007.
  
- **Trash-Free Potomac Watershed Initiative**
  - The COG Board has directed the CBPC to oversee regional aspects of member participation in this initiative, which is coordinated by the Alice Ferguson Foundation.
  - COG staff also has a grant to coordinate the participation of high school students in designing an anti-litter ad campaign.

### Potential New Issues

- **Decline in forest coverage**
  - In 2006, the Conservation Fund released a report, “The State of Chesapeake Forests,” which details a disturbing decline of forest cover in the Bay and its impact on Bay water quality. There will be several opportunities for committee involvement on this issue, including potential recommendations from the new administration of Maryland Gov. Martin O’Malley.
  
- **Farmland preservation and land trust activity**
  - COG staff is currently involved in several activities in this area. It is coordinating a “working lands” initiatives with several components aimed at maintaining productive farm and forest land in the region. It also is working with private land trust organizations.
  
- § **Global climate change and airborne pollutants**
  - Efforts to reduce air emissions of various pollutants, such as those overseen by the Metropolitan Washington Air Quality, also help to reduce nitrogen pollution to Bay waters. With various local jurisdictions now increasing their focus to include efforts to reduce carbon dioxide emissions, there will be further opportunities to simultaneously benefit the Bay restoration effort.



§ **Deer overpopulation**

- The Chesapeake Forest report noted under a previous bullet details the damage inflicted on existing forests by increasing deer populations. To date, regional efforts in this area have focused on public safety concerns. An opportunity exists to broaden the issue to include environmental concerns.

§ **Growth and Water Quality Goals – Potential Implications for Local Governments**

- There is increasing concern that projected growth beyond 2010 will more than offset the target nutrient load reductions identified in the states' Tributary Strategies. This has the potential of directly impacting local land use planning and development by requiring as yet undetermined "offsets." It would be prudent for localities to anticipate this issue and engage the appropriate federal and state agencies as offset programs and policies are developed.

Actions to Support Focus on Issues

- **Committee meetings** (6 per year)
- **Committee tour** (details to be determined)
- **Federal legislation** (provide opportunity to meet with local congressional delegation)
- **Individual presentations/appearances by members**

**Congress of the United States**  
Washington, DC 20515

October 30, 2006

The Honorable Rob Portman, Director  
Office of Management and Budget  
Executive Office Building  
Washington, DC 20503

Dear Director Portman:

The Congressional Chesapeake Bay Watershed Task Force thanks you for your continued strong support for Bay restoration and protection. Through federal and state leadership, the partnership of local governments, organizations and citizens, and by the new and innovative initiatives proposed in the President's budget over the past few years, we have made progress toward a clean Bay. This Administration has provided new funding for Chesapeake Bay restoration efforts through the U.S. Environmental Protection Agency's (EPA) Targeted Watershed Grants, the U.S. Department of Agriculture's Conservation Innovation Grants, and agricultural programs that support the Delmarva Conservation Corridor program. These commitments have contributed significantly to the improvements we are seeing in the Bay, and we urge you to continue your leadership in providing strong federal support for Bay restoration and protection in the President's Fiscal Year 2008 Budget.

By matching federal dollars, Bay restoration partners have contributed significantly to the achievement of these successes, continuing necessary restoration and important research. Although we are making progress toward the partnership's 2010 goals, we believe much more can and should be done to reach these goals.

As you know, during the 109<sup>th</sup> Congress we joined 16 Members from the Bay Watershed U.S. House of Representatives Delegation to introduce H.R. 4126, the Chesapeake Bay Restoration Enhancement Act. This legislation is designed to help the Bay restoration partnership achieve as much of its 2010 goals as possible and to address recommendations made by the Government Accountability Office in its October 2005 report, entitled *Chesapeake Bay Program: Improved Strategies Are Needed to Better Assess, Report, and Manage Restoration Progress*. This legislation calls for a holistic and crosscut budget planning approach for Chesapeake Bay restoration, and we encourage you to implement this approach in FY 2008.

### **EPA PROGRAMS**

#### **Chesapeake Bay Program -- \$40 million**

The Chesapeake Bay Program is authorized by Section 117 of the Clean Water Act at \$40 million annually. The Program is authorized to coordinate, manage, and provide implementation assistance for Bay restoration, including a Small Watershed Grants Program. Through the *Chesapeake 2000* agreement, the Bay partners -- including the federal government, the states of Maryland, Virginia, Pennsylvania, Delaware, West Virginia, and New York, the District of Columbia, and the Chesapeake

Bay Commission -- have set very ambitious water quality and other restoration goals that must be met in order to restore the Bay and to protect public health and the environment.

We recommend full funding of the Program, which includes various types of technical assistance and monitoring grants, data gathering and analysis, computer modeling capabilities, and general operations. We also recommend that EPA expand the amount of technical and financial support that it supplies to the state and local governments and private interests for activities to improve water quality and habitat, through Implementation Grants to the states and the Chesapeake Bay Small Watershed Grants program.

Of the \$40 million, we urge the Administration to specifically include the Chesapeake Bay Small Watershed Grants program in the President's FY 2008 Budget Proposal at a funding level of \$10 million. Population growth -- at a rate of 100,000 new residents annually -- and development are large and growing sources of nutrient and sediment pollution to the Bay and its tributaries. Local governments bear the most responsibility to control the impacts from this development, and they are often ill-equipped to plan or implement actions that will prevent or reduce future nutrient and sediment pollution. The Chesapeake Bay Small Watershed Grants Program, administered by the National Fish and Wildlife Foundation, is the only program specifically designed to give money and technical assistance to local governments and non-profit groups to take local action to help the Bay. This program, currently funded at \$2 million annually, leverages about four times that amount of money for on-the-ground restoration and pollution prevention projects every year. While this approach serves as a model for federal and local estuarine restoration partnerships across the country, the current investment for this program in the Bay region is too small to have a significant impact toward meeting the *Chesapeake 2000* agreement water quality goals by 2010.

#### Targeted Watershed Initiative -- \$10 million

In addition to funding for the Chesapeake Bay Program itself, the President, in his FY 2005 Budget Proposal, requested \$10 million for the national Targeted Watershed Initiative and designated that it be used for Chesapeake Bay nutrient reduction efforts. Congress funded this request at \$8 million in FY 2005, and then at \$6 million in FY 2006. Projects funded by this program contribute directly to quantitative reductions in nutrients and sediments that enter the Bay and include improvements to the efficient use of nutrients on farms and improvements to stormwater management systems. Because this program uses technology and scientific understanding developed through the Bay Program to focus on specific reductions to nutrients and sediment entering the Bay, it presents the most immediate and direct opportunity to achieve water quality restoration in the watershed. We encourage you to consider funding this program at the highest level possible in the FY 2008 budget request, but at the very least at \$10 million.

We recommend that this money be designated for implementation of restoration projects as outlined in the state Tributary Strategies, and that the entire 64,000 square mile Bay watershed be eligible.

#### Blue Plains Wastewater Treatment Plant -- \$66 million

Blue Plains is the largest advanced wastewater treatment plant in the world, with a capacity of 370 million gallons per day. It covers 150 acres in Washington, D.C. and serves all of the nation's capital with its many government buildings, as well as ratepayers in the surrounding counties of Montgomery, Prince George's, Fairfax and Loudoun. Currently, the facility discharges 7.54 million pounds of nitrogen into the tidal Potomac every year, by far the single largest source of pollution in the entire

Bay watershed, contributing the equivalent of nutrient runoff from more than 6,000 of the region's farms. The special regional nature of the facility, its tremendous impact on the Chesapeake Bay, and its high price tag make this a very unique situation with added federal responsibility. Total cost for full implementation of nutrient reduction technology at Blue Plains is estimated to be \$450 million. This \$66 million request would immediately leverage \$43 million in state and local funds and pay for an initial upgrade capable of reducing the facility's discharge by up to 5 million pounds of nitrogen annually.

### Section 106 State and River Basin Commission Funding -- \$227.289 million

The President's FY 2007 budget request for the Section 106 grants program was \$221.661 million – a 2.5 percent increase over the prior year. The value of the Section 106 funding to both the States and the interstate agencies is not unique to the Chesapeake Bay region – it is a core program for watershed restoration nationwide, and we urge you to again increase this program by 2.5 percent in the President's FY 2008 budget request to ensure that at least \$227.289 million is allotted.

The Task Force contacted EPA Region III Administrator Donald S. Welsh earlier this year to encourage EPA to support the Chesapeake Bay Non-tidal Monitoring Network through the states' use of Section 106 funds. Mr. Welsh responded to us very positively by sharing the Federal commitment to this Network in the recently signed Memorandum of Understanding (MOU), *Cooperative Efforts for Monitoring and Assessing Water Quality in the Streams and Rivers of the Chesapeake Bay Watershed*. This MOU was also agreed to by the six states and the District of Columbia that are in the Bay watershed, as well as by the Susquehanna River Basin Commission and the Interstate Commission on the Potomac River Basin, all of which play a key role in the Monitoring Network. We strongly support a continued and increased commitment to funding Section 106 grants.

### ASSISTANCE TO FARMERS

Agriculture is the largest single source of nutrient and sediment pollution to the Chesapeake Bay and, as such, represents a tremendous opportunity to reduce pollutants through programs that are demonstrated to be only 1/6<sup>th</sup> the cost of infrastructure improvements for point-source pollution. In addition, sustainability of farming in the rapidly-changing Bay watershed landscape is critical to the Bay's restoration and, as demonstrated by the New York City Watershed Agreement, is more cost-effective than attempting to meet growing water infrastructure funding gaps. In their commitment to restoring Chesapeake Bay water quality, the states are relying on agriculture to provide 68 percent of the nitrogen reductions, 64 percent of the phosphorus reductions and 90 percent of the sediment reductions.

It is estimated that farms in the six-state Chesapeake Bay watershed receive only 1 percent of the total national funding for commodity and conservation payment. Yet, this area represents 3.2 percent of U.S. farmland acreage and contributed \$12 billion to the nation's total agricultural cash receipts.

The partners of the Chesapeake Bay Program, in their state-approved tributary strategies, have identified a total need of \$700 million per year for agricultural practice activities in order to meet the nutrient and sediment reduction goals needed to remove impairments to the Bay ecosystem. These activities and practices are specifically identified by watershed. It is estimated that farmers would cover 25 percent of these costs and that the remaining \$525 million would be split between federal and state government assistance. Assuming the states cover half of the cost, the remaining federal share would be \$262.5 million. Since the U.S. Department of Agriculture (USDA) estimates that the Natural Resources Conservation Service (NRCS) spent approximately \$78 million in FY 2004 on

various types of natural resource issues in the Bay watershed, the need for new USDA money in FY 2008 is \$184.5 million. While we understand that there is no line item identification for this in the President's budget, we encourage the President to support this funding to the states, and in turn, to encourage state governments to spend the funding in a manner consistent with their approved tributary strategies.

In light of the cost-effectiveness of investing in agricultural programs, there are several key agricultural programs that are critical to meeting the Bay's restoration deadlines. In addition to the general funding mentioned above, we encourage the President to support the following specific programs and funding levels:

Agricultural Management Assistance Program (AMA) -- \$20 million

This program is of growing importance to the Chesapeake Bay. Along with the Environmental Quality Incentives Program (EQIP), the AMA has enabled farmers in the Chesapeake Bay watershed to better manage water use and animal waste and to control harmful nutrient and sediment runoff. This truly regional and innovative program provides key cost-share and incentive payments to farmers in five of the Bay watershed's six states that are among the 15 states eligible to participate in the AMA. We strongly urge the Administration to support the continuation of the AMA and to fully fund this program as authorized in the Agricultural Risk Assessment Act of 2000 and the 2002 Farm Bill.

Conservation Innovation Grants (CIG) -- \$10 million

The 2002 Farm Bill allows USDA to use EQIP funds for competitive grants for innovative projects. The Chesapeake Bay has already been identified as a Conservation Priority Area by the Farm Bill, and the Secretary of Agriculture has the authority to increase the amount of Bay watershed land enrolled in numerous Farm Bill conservation programs. We urge the Secretary to utilize this authority and to substantially increase the Chesapeake Bay set aside for CIG. This past year, \$20 million was available to competitively fund projects through CIG, \$5 million of which NRCS allocated for Chesapeake Bay watershed-specific projects. These grants have been very successful, and there is an increasing demand for more innovative restoration work in the agricultural sector.

We urge USDA to double the set aside for the Bay region to \$10 million in 2007. Ultimately, we would prefer that NRCS more than double the amount it designates for CIG grants nationwide and still maintain a one-quarter set aside of that funding for Chesapeake Bay projects.

Delmarva Conservation Corridor -- \$5 million

Agriculture accounts for approximately 40 percent of the nutrient pollution entering the Chesapeake every year. On the Eastern Shore of the Chesapeake Bay, or Delmarva Peninsula, agriculture contributes about 70 percent of all the nutrients that wash off the land and into the Bay. Nowhere in the entire Bay watershed is farming more a part of the local economy and landscape than in Delmarva. The Delmarva Conservation Corridor pilot program was authorized under Title II of the 2002 Farm Bill and seeks to protect and conserve natural resources and make farming profitable, thereby preserving Delmarva's rural way of life.

In FY 2005, the USDA announced a set aside of \$5 million for grants to farmers in Delaware,

Maryland, and Virginia. We appreciated and supported this action then, and urge you to continue this important program by allocating at least \$5 million in the FY 2008 Budget Proposal.

## **DEPARTMENT OF THE INTERIOR PROGRAMS**

### **Maintaining Fish Health -- \$2 million**

In recent years there have been a number of fish health and reproductive problems within several river systems of the Chesapeake watershed that appear to be associated with “emerging” contaminant issues and loss of habitat. These include: (1) fish kills and the subsequent finding of intersex in smallmouth bass in the Potomac River; (2) major fish kills of smallmouth bass and sunfish in the Shenandoah and Susquehanna Rivers; (3) a high prevalence of cancers in bullhead catfish from the Anacostia (Washington, DC) and South Rivers (Annapolis, MD); and (4) poor reproductive success of yellow perch in western shore tributaries. Potential causes of reproductive problems and increased disease susceptibility include a loss of suitable habitat conditions, poor water quality and riparian zone alteration.

In FY 2008, we recommend that you include \$2 million, split between the U.S. Geological Survey (USGS) and the U.S. Fish and Wildlife Service (USFWS), to allow for concurrent collections of water, sediment, and fish tissue; contaminant analyses, histopathological and biochemical analyses; and habitat assessments to identify causes of the poor fish health and habitat conditions. The results would be used in FY 2009 and 2010 to address these causes with management practices to improve the health of fish populations in the Bay watershed.

### **National Fish Habitat Initiative/Restoring Fish Populations -- \$1 million**

The Chesapeake Bay region has been a national leader in fish passage and/or dam removal projects to restore migratory fish populations. An organized and concerted effort coordinated through the Chesapeake Bay Program has already restored 1,838 miles of historic prime habitat for migratory and resident fish. Last year, EPA, the six Bay watershed states and the District of Columbia committed to complete 100 more projects which will open 1,000 miles of high quality tributary habitat to migratory fish by 2014.

The region has a long list of priority fish passage projects, ready for implementation, and a severe shortage of funds to complete them. We urge the President to designate the Chesapeake Bay watershed as a Priority Area under the National Fish Habitat Initiative and to set aside \$1 million in the FY 2008 budget for the USFWS under this Initiative to fund these critical ready-to-go projects.

### **Non-Tidal Water-Quality Monitoring and Assessment Network -- \$1.5 million**

The Chesapeake Bay state partners have developed tributary strategies to reduce nutrient and sediment pollution to meet EPA issued water-quality standards for the tidal Bay by 2011. The USGS has led the design and implementation efforts for the Chesapeake Bay Non-Tidal Water-Quality Monitoring Network to assess improvements and better target management actions to improve water quality of local streams and the tidal Chesapeake. Of the 200 sites needed for a complete Network, 64 have been fully implemented and 18 sites have been partially implemented, four of which are scheduled to be completed this calendar year.

Last fall’s federal agreement to *Enhance Federal Cooperative Conservation in the Chesapeake*

*Bay Program* addressed one aspect of the GAO Report to Congress, by asking USGS to enhance the Bay Program's monitoring data and to lead federal efforts for monitoring and assessment of water quality management actions. Monitoring sites will also be coordinated with the location of EPA Targeted Watershed Grants and USDA Conservation Innovation Grants.

The implementation of the Non-Tidal Monitoring Network began in 2004, and USGS has leveraged funding from EPA and the states. Each site costs approximately \$45,000 per year to operate and maintain, with an additional one time cost of \$7,500 for installation of stream-gage equipment. We strongly urge you to continue support for this critical assessment tool, and to include \$1.5 million in the President's FY 2008 Budget proposal for USGS to add another 28 sites to the Network – bringing the Network to more than half complete.

### **OYSTER RESTORATION -- \$25 million**

In 2000, the Chesapeake Bay Program partners – the governors of the states in the Bay watershed, the Mayor of the District of Columbia and the Federal government – agreed to the goal of a tenfold increase in the population of native oysters in the Bay by 2010. The cost estimate for this commitment was \$100 million. The oyster industry in both Maryland and Virginia is teetering on collapse, and this restoration may be its last hope. Additionally, some in the scientific community believe an even larger increase would confer significant additional benefits in the areas of water quality, dissolved oxygen and submerged aquatic vegetation. In order to meet the 2010 goal of at least a tenfold increase in oysters, an infusion of \$25 million in FY 2008 -- split between NOAA and the Army Corps of Engineers -- is critical to any chance of success.

### **NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION**

#### **Chesapeake Bay Observing System -- \$3 million**

In addition to non-tidal monitoring, a Chesapeake Bay Observing System (CBOS) is being developed to establish a bay-wide network of monitoring buoys for the Bay's main stem and tidal open water. The integration of new and existing observing capabilities will allow for the collection and dissemination of critical information in real time, leading to more accurate analysis and effective ecosystem management of Chesapeake Bay resources. The CBOS is a component of the U.S. Integrated Ocean Observing system called for in the President's Ocean Action Plan, and there are also plans to have three to five buoys of the Chesapeake Bay Interpretive Buoy System along the Captain John Smith Historic Water Trail. Information from these buoys will be used to provide ecological, historical and cultural interpretation along that Water Trail and will contribute to the safety and enrich the experience of Trail users. It costs \$150,000 to purchase and \$50,000 to operate and maintain each buoy. We urge you to include \$3 million in the President's FY 2008 Budget for NOAA's Chesapeake Bay Office, to fund 15 new CBOS buoys at key locations and incorporate them into the Chesapeake Bay Interpretive Buoy System.

\* \* \*

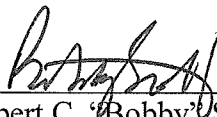
Thank you for your consideration of these requests. Much has been accomplished over the years, but much still needs to be done to restore the Chesapeake Bay to full health. One thing is certain -- we would not have been able to accomplish what we have without Federal support and leadership, and we will not be able to finish the job without it. We urge you to continue to provide the type of leadership that will again make the Chesapeake the envy of the world.

For additional information, please contact Edith Thompson (Rep. Gilchrest) at (202) 225-5311, Ilana Fisher (Rep. Scott) at (202) 225-8351, Darcie Brickner (Rep. Davis) at (202) 225-1492 or Karen Robb (Rep. Van Hollen) at (202) 225-5341.

Sincerely,



Wayne T. Gilchrest  
Co-chair



Robert C. 'Bobby' Scott  
Co-chair



Tom Davis  
Co-chair



Chris Van Hollen  
Co-chair





January 2, 2007

The Honorable Rob Portman, Director  
Office of Management and Budget  
Executive Office Building  
Washington, DC 20503

Dear Director Portman:

We greatly appreciate your continued support for the Federal and state partnership that is working to restore the Chesapeake Bay. On behalf of our colleagues on the Chesapeake Bay Commission, we are writing to draw your attention to *critical* action that is needed to address a major regional impediment to our progress in Bay restoration.

The Blue Plains Wastewater Treatment Facility is by far the largest wastewater treatment facility discharging to the Chesapeake Bay and its tributaries. It treats all sewage from the National Capital Area, including over 570,000 governmental, commercial and residential customers in the District of Columbia (DC), and over 1.6 million customers in Maryland's Prince George's and Montgomery Counties and Virginia's Loudoun and Fairfax Counties. To add to the operating challenges, during severe rain storms, flow to the Blue Plains facility swells to almost three times the normal sewage flow because of stormwater entering the District's Combined Sewer System and mixing with the raw sewage in the pipes.

If Maryland, Virginia and the District of Columbia are going to be able to achieve their nutrient reduction commitments and meet water quality standards for the Potomac River and Chesapeake Bay, the Blue Plains facility must be upgraded to reduce nitrogen to at least 4.2 milligrams per liter, including during heavy rains. The U.S. Environmental Protection Agency has advised the DC Water and Sewer Authority (DCWASA) that this upgrade must be completed as soon as possible to achieve a nitrogen loading limit of 4.766 million pounds per year to be included in the facility's renewed permit. DCWASA has developed preliminary cost estimates of just over \$1 billion to complete the necessary upgrades to remove nitrogen to these prescribed levels.

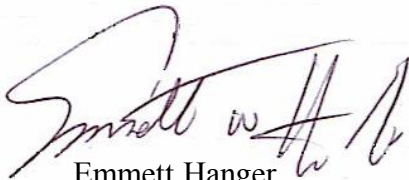
The District of Columbia is also required under a judicial consent decree to implement a Long Term Control Plan for Combined Sewer Overflow (CSO) control. About one-third of DC is still served by a combined sewer system that was developed before 1900. This antiquated combined sewer system conveys both sewage and stormwater in one piping system, which during heavy rain events overflows directly to Rock Creek and the Anacostia and Potomac Rivers at CSO outfalls. CSO control is critical to meeting water quality standards for bacterial contamination and protecting the public health of citizens living in the vicinity of our rivers. DCWASA estimates that upgrading the combined sewer systems to prevent further direct discharges of sewage mixed with stormwater will require nearly \$2 billion in expenditures over twenty years.

Both the Blue Plains nutrient removal upgrade and the DC CSO control implementation are critical to meeting water quality standards and achieving our region's goals for the Anacostia and Potomac Rivers and Chesapeake Bay. Maryland and Virginia already have funding mechanisms in place to provide their share of the cost of the nitrogen removal upgrade. DC does not. Because a large part of the cost of the necessary wastewater treatment is the result of runoff and sewage generated in our Nation's Capital, and the federal government and federal lands are the source of much of this contaminated runoff and sewage, it is the obligation of the federal government to play a major role in funding the necessary upgrades to the Blue Plains facility and correcting the CSO problems that are a serious threat to the health of the citizens who work and live in our Nation's Capital Region. The states of Maryland and Virginia stand ready to partner with you and accept their fair share of the costs to correct this unacceptable pollution of our rivers and the Bay

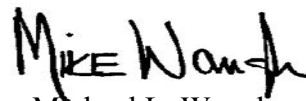
The Congressional Chesapeake Bay Task Force has requested \$66 million be included in the President's FY08 Budget Request to finance initial upgrades at Blue Plains. We respectfully request that you fulfill this proposal. This initial investment, while admittedly only a fraction of total costs, will leverage significant state funds and help launch efforts for further nutrient removal, resulting in significant benefits for the Bay.

The Chesapeake Bay Commission, a legislative coalition of three states, is committed to and has made great strides in upgrading our point sources to reduce nutrient pollution to the Bay. We offer our assistance to bring parties together and partner with Congress to develop a cooperative regional funding strategy to address this critical national issue. The largest wastewater treatment plant in the world, located in the United States capital, should be held to the highest standards and serve as a model for protection of public health and natural resources. We strongly encourage your support in the FY08 budget. Thank you for your time and consideration.

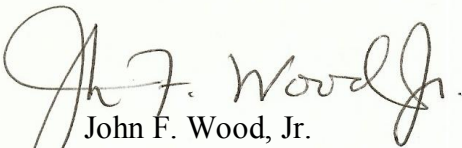
Sincerely,



Emmett Hanger  
Chairman  
Senate of Virginia



Michael L. Waugh  
Vice-Chairman  
Senate of Pennsylvania



John F. Wood, Jr.  
Vice-Chairman  
Maryland House of Delegates

January 2, 2007

Page three

cc: The Honorable Benjamin L. Cardin  
The Honorable Bob Casey  
The Honorable Barbara A. Mikulski

The Honorable Arlen Specter  
The Honorable John W. Warner  
The Honorable Jim Webb  
The Honorable Roscoe G. Bartlett  
The Honorable Rick Boucher  
The Honorable Eric Canter  
The Honorable Christopher Carney  
The Honorable Elijah E. Cummings  
The Honorable Jo Ann Davis  
The Honorable Tom Davis  
The Honorable Thelma Drake  
The Honorable J. Randy Forbes  
The Honorable Jim Gerlach  
The Honorable Wayne T. Gilchrest  
The Honorable Virgil H. Goode, Jr.  
The Honorable Bob Goodlatte  
The Honorable Tim Holden  
The Honorable Steny H. Hoyer  
The Honorable Paul E. Kanjorski  
The Honorable James P. Moran  
The Honorable John P. Murtha  
The Honorable Eleanor Holmes Norton  
The Honorable John E. Peterson  
The Honorable Joseph R. Pitts  
The Honorable Todd R. Platts  
The Honorable C.A. Dutch Ruppersberger  
The Honorable John Sarbanes  
The Honorable Robert Scott  
The Honorable Bill Shuster  
The Honorable Chris Van Hollen  
The Honorable Frank R. Wolf  
The Honorable Albert Russell Wynn

CBPC Att. 6 (continued)



## **MARYLAND LEGISLATIVE AGENDA**

2007 Session

### **Creation of a “Green Fund”**

*Support legislation that will create a dedicated funding source for implementation of practices and programs that reduce nitrogen pollution, as identified in the Tributary Strategies. The Fund will place a priority on implementation of agricultural conservation practices that reduce runoff. Other funded actions may include local storm water management practices and restoration of the native oyster.*

Funding sources may potentially include: an increase in Vehicle Emissions and Inspection Program fees (which have not been increased since 1997), uncollected deposits from a bottle bill (legislation to be introduced by Delegate Peter Hammen), and a tax credit for contributions to the Green Fund by businesses and individuals. The Fund would then be administered the Chesapeake Bay Trust.

### **Creation of Regional Planning Authorities**

*Support legislation to create regional planning authorities in seven regions across the State. The Blackwater Resorts Development debate highlighted the current problems of review and approval of large developments at the local level only, despite their significant regional impacts on natural resources, transportation, health care, education, and other infrastructures.*

- Citizens as well as State agency and local government representatives will comprise the regional planning authorities which will approve, approve with conditions, or deny proposals for mega-developments that meet a suite of criteria.

### **Restoring the Native Oyster Species**

*Support legislation, funding, and agency program changes that constitute a comprehensive approach to native oyster population restoration. This concerted approach is the only way to achieve a significant upswing in oyster restoration.*

- In addition to supporting long-term funding of larvae production and reef restoration on a large scale, Speaker Busch is very interested in sponsoring legislative policy initiatives to encourage bottom leasing and a greater focus on enforcement measures.



## **VIRGINIA LEGISLATIVE AGENDA**

2007 "Short" Session

### **Bonding for the Bay**

*Support legislation which authorizes the Virginia Public Building Authority to utilize up to \$250 million in bonds to assist local governments in upgrading wastewater treatment facilities with nutrient removal technology. (HB 1710, sponsored by Delegate Vincent Callahan, and comparable Senate bill, to be sponsored by Senator John Chichester.)*

These funds, together with money allocated by the Virginia General Assembly over the past two years, will allow the Commonwealth, together with local governments across the watershed, to reach its point-source nitrogen pollution reduction goals under C2K.

### **Oyster Aquaculture**

*Support legislation to promote and facilitate oyster aquaculture. (Sponsored by Delegate Robert Wittman on behalf of the Virginia Seafood Council.)*

The legislation authorizes holders of oyster leases to employ temporary protective enclosures, such as cages, for growing shellfish on their leased grounds.

The legislation would prohibit placement of enclosures in any marked channel or anywhere they might cause a hazard or impede customary access to navigable water from riparian property, marinas and commercial landings or in or upon submerged aquatic vegetation. The legislation would also require that enclosures be marked for identification and safety, be visible to boaters and readily retrievable.

### **Menhaden Management**

*Support legislation that will codify an annual cap on the harvest of menhaden in Virginia's portion of the Chesapeake Bay waters. (HB 162, sponsored by Delegate/Commission member John Cosgrove.)*

The legislation will institute a precautionary cap of the average of the last five years landings while scientific studies are carried out to determine the health of the menhaden population in Chesapeake Bay. The cap was passed by the Atlantic States Marine Fisheries Commission; the legislation will ensure that Virginia remains in compliance with ASMFC requirements, avoiding a possible shut-down of the fishery.



## **PENNSYLVANIA LEGISLATIVE AGENDA**

2007 – 2008 Regular Session

### **Resource Enhancement and Protection Act (REAP)**

*Support legislation which authorizes the creation of a \$450 million transferable state tax credit program for farmers or businesses which implement conservation practices on farms. (Sponsored in the 2005- 2006 Regular Session by Representatives Jerry Stern, Art Hershey, Peter Daley and Senators Noah Wenger, Mike Waugh, Michael O'Pake.)*

- This program will accelerate implementation of on-the-ground farm conservation practices; these practices and this tax credit incentive are key to assisting farmers in their efforts to protect water quality while remaining profitable.
- Implementation will accomplish significant pollution reductions--including a projected reduction of 15 million pounds of nitrogen pollution in the Bay watershed, alone. This reduction is 50% of Pennsylvania's nitrogen reduction goal for agriculture under C2K.

Date

The Honorable Collin C. Peterson, Chairman  
House Committee on Agriculture  
Longworth House Office Building 1301  
Washington, D.C. 20510

The Honorable Tom Harkin, Chairman  
Senate Committee on Agriculture, Nutrition and Forestry  
Russell Senate Office Building 328A  
Washington, D.C. 20510

Re: Conservation Title in 2007 Farm Bill

Dear Chairman (Peterson/Harkin):

I am writing as Chair of the Chesapeake Bay and Water Resources Policy Committee of the Metropolitan Washington Council of Governments (COG) to add our voice to those calling for the devotion of more federal resources to conservation efforts in the new farm bill. Specifically, committee members would like to see an expansion in the Conservation Security Program from its current limited availability in a few targeted watersheds to a program in which all farmers in the Chesapeake Bay watershed could participate.

COG, which serves the interests of its 21 member governments in the national capital area, represents a primarily urban region. However, even in our region, agriculture is an integral part of ongoing efforts to restore water quality in local streams and the Chesapeake Bay. Over the past year, we have toured several farms in our region, met directly with farmers, the Farm Bureau, environmental groups, elected officials and others. All of these interactions have left us with a clear message about accelerating efforts to reduce nutrient runoff from farms in the Mid-Atlantic region – that the issue is a lack of resources, not a lack of will.

While federal programs under the farm bill's Conservation Title have been helpful in providing needed cost-share assistance, limited eligibility, restricted geographic scope and the inflexibility of some program guidelines have reduced their effectiveness. In our review of the issue, expanding the eligibility and scope of the Conservation Security Program emerged as the single biggest priority for achieving progress toward Chesapeake Bay restoration goals. Therefore, we respectfully request an expansion in the Conservation Security Program from its current limited availability in a few targeted watersheds to a program in which all farmers in the Chesapeake Bay watershed could participate.

Thank you for considering this important request.

Sincerely,

Martin Nohe, Chair, Chesapeake Bay and Water Resources Policy Committee of the Metropolitan  
Washington Council of Governments  
Member, Prince William County Board of Supervisors

Copies of this correspondence provided to:

Chesapeake Bay Executive Council members:

Governor Tim Kaine  
Governor Martin O'Malley  
Mayor Adrian Fenty  
Governor Ed Rendell  
Chesapeake Bay Commission Chair Emmett Hanger Jr.  
EPA Administrator Stephen Johnson

COG region congressional delegation members:

Senator Barbara Mikulski  
Senator Ben Cardin  
Senator Jim Webb  
Senator John Warner  
Representative Albert Wynn  
Representative Roscoe Bartlett  
Representative Christopher Van Hollen  
Representative Steny Hoyer  
Representative Frank Wolf  
Representative James Moran  
Representative Tom Davis

Members, Board of Directors, Metropolitan Washington Council of Governments