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## **SENIOR SCIENTISTS & POLICYMAKERS URGE CAUTION ON NUTRIENT TRADING IN THE CHESAPEAKE BAY WATERSHED**

ANNAPOLIS, MD — In a [report](#) released this week, the Senior Scientists & Policymakers for the Bay have outlined for state and federal officials their major concerns with nutrient trading programs proposed to reduce pollution to Chesapeake Bay. The group submitted its report to the Environmental Protection Agency (EPA), which has been taking public comments on nutrient trading in the Chesapeake region.

The EPA and the states see trading as a promising strategy to meet the Chesapeake's recently established Total Maximum Daily Load (TMDL) "pollution diet" requiring significant reductions in the amount of nitrogen and phosphorus entering waterways throughout the Bay. The states have included such nutrient trading in their required water quality improvement plans.

The Senior Scientists and Policymakers for the Bay note that nutrient trading is a relatively new concept and has never been tried on as large a scale as proposed in the Chesapeake. There is limited data on its effectiveness, and no rigorous framework exists to govern the process that applies across all the states in the watershed. In fact, the group points out that even the definitions of nutrient trading varies within the EPA and the states.

"We urge caution in developing a nutrient trading approach, recognizing that a nutrient trading system on this scale is unprecedented," the report's authors explain. "Given the lack of supporting evidence for such an approach, we encourage policymakers to move cautiously... There will be only one opportunity to develop a credible nutrient market, and loss of credibility would be an extremely difficult setback to overcome."

The Senior Scientists and Policymakers for the Bay's nutrient trading subcommittee, which authored the report, is made up of Dr. William Dennison, University of Maryland Center for Environmental Science; Michael Helfrich, Lower Susquehanna Riverkeeper; Erik Michelsen, South River Federation; Richard Pritzlaff, Biophilia Foundation; and Fred Tutman, Patuxent Riverkeeper.

In general, water quality trading allows one pollution source to meet or maintain its pollution reduction requirements by using pollution reductions created by another source. One party is able to keep more nitrogen or phosphorus out of a waterway than required by its permits or regulations.

Those extra pounds of nitrogen and phosphorus can be counted as credits. In a water quality trading program, these credits could be sold to another polluter who needs credits to meet their regulated limit.

The nutrient trading report answers the question "Is nutrient trading a good thing for Chesapeake Bay?" with a qualified "Yes it could be, but there are major concerns," listing ten caveats and recommendations for implementing nutrient trading, including an emphasis on vigorous third-party, independent verification of nutrient trades.

Here are the ten caveats summarized:

1. Nutrient trading is a relatively new and untested technique for pollutant reductions in waterbodies that makes assumptions regarding short- and long-term effects.
2. All efforts should be made to improve and then preserve local water quality.
3. Independent, rigorous, and transparent verification is essential.
4. A policy of net improvement credit is needed to account for uncertainties in non-point sources reductions and runoff variability.
5. Nutrient trading should not be used to maintain discharges at technology levels below industry standards.
6. Nutrient trading may create environmental justice issues by moving problems to disadvantaged areas.
7. Trading could benefit large organizations and corporations without protecting the interests of local waterways and grassroots entities.
8. The total impacts of nutrient trades need to be measured and adequate compensation provided.
9. Credited practices and the models used to calculate the amounts of credits awarded need to be standardized.
10. Growth allocations should be based on demonstrated pollution reductions in other sectors, not on speculative, proposed reductions in those sectors.

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[Senior Scientists & Policymakers for the Bay](#): *After decades of effort, the voluntary, collaborative approach to restoring the health and vitality of the Chesapeake Bay—the largest estuary in the United States—has not worked. A diverse group of 57 senior scientists and policymakers have joined forces to urge all the Bay states to transition from the voluntary collaborative approach in place for more than two decades, to a more comprehensive regulatory program that would establish mandatory, enforceable measures for meeting the nutrient, sediment, and toxic chemical reductions needed to remove the Bay and its tributaries from the Clean Water Act impaired waters list. This group unanimously recommends that all states draining into the Chesapeake Bay adopt the 25 action items in their Watershed Implementation Plans and act on them to improve the Bay's water quality and to meet the requirements of the Clean Water Act.*