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MARYLAND PURSUES NEW TOOLS, GREATER TEAMWORK FOR FASTER, BETTER RESTORATION OF CHESAPEAKE BAY

BALTIMORE, MD – (October 23, 2015) – Maryland is developing a nutrient trading policy to accelerate the restoration of the Chesapeake Bay while reducing costs to local governments and citizens and boosting private sector jobs, the Maryland Departments of the Environment and Agriculture announced today.

The <u>Maryland Nutrient Trading Policy Statement</u>, released today, details a roadmap for the development of cross-sector, water quality-based trading programs that use innovation, economies of scale and public-private partnerships to speed improvements to the Bay and local rivers and streams. The path forward includes the development, with input from a stakeholder advisory group, of guidelines that would be issued by April 2016 and used to initiate trades within Maryland at the earliest possible date.

"The Chesapeake Bay is one of our most important, valuable and beloved resources and our cleanup efforts will not stop until the Bay is restored," Governor Larry Hogan said. "These new tools, which make sense both economically and environmentally, are yet another example of our commitment to preserving our natural resources for generations to come."

"Trading means upgrading and accelerating the cleanup through teamwork and innovation," said Maryland Department of the Environment Secretary Ben Grumbles. "We are building upon, not replacing, regulatory tools with smarter, more effective strategies and broader partnerships."

"Nutrient trading offers an innovative alternative in financing agricultural practices. It will lead to opportunities for farmers to receive income for implementing and maintaining the practices that will generate tradable nutrient credits," said Maryland Department of Agriculture Secretary Joe Bartenfelder. "Nutrient trading helps to promote more productive and efficient land use while meeting Maryland's water quality goals."

"Enhancing, preserving and restoring the Chesapeake Bay is an expensive proposition," Maryland Department of Natural Resources Secretary Mark Belton said. "Developing and implementing innovative approaches and techniques, like nutrient trading, which brings the power of the private sector to bear is sound science and strategy, and will help us meet our Chesapeake Bay goals." Maryland and its local jurisdictions – along with other states in the Chesapeake Bay watershed – have developed plans to meet federal requirements to reduce the amount of nitrogen, phosphorus and sediment pollution that reaches the Chesapeake Bay by 2025. Elevated levels of nutrients such as nitrogen and phosphorus lead to lowered levels of oxygen needed to support aquatic life in waterways, including the Chesapeake Bay.

Maryland's strategy for Bay restoration calls for pollution reductions from a range of "sectors" – wastewater treatment plants, stormwater runoff, septic systems and agriculture. Enhanced Nutrient Removal upgrades of the state's major wastewater treatment plants will be completed by 2017, placing a greater need to find efficiencies in reducing pollution from diffuse "nonpoint" pollution sources spread across Maryland and the Bay region.

Upcoming Maryland activities recognizing market-based approaches as a tool for restoration include:

1. MDA proposes regulations that establish the requirements and standards for the generation and certification of nutrient and sediment credits on agricultural land.

2. MDE and MDA will host a Trading Symposium in December 2015 describing the science and verification that is integrated into Maryland's nutrient trading program.

3. MDE will complete a comprehensive nutrient trading guidance document by spring 2016 with the support of a stakeholder advisory group.

4. MDE, MDA, Department of Natural Resources, State Highway Administration and other Departments will look for tradingopportunities in permits and programs and also look to establish other nutrient trading partnerships in an effort to meet the State's Chesapeake Bay TMDL requirements at a reduced cost.

5. Maryland will participate in an environmental finance symposium in 2016 convened by EPA and the Bay States with planning support from the University of Maryland's Environmental Finance Center.

6. Maryland will hold a conference in mid-2016 to release the nutrient trading guidance document, present opportunities for market-based solutions and review the need for future targeted research.

7. MDE will explore opportunities in the summer of 2016 for generating nutrient credits from aquaculture by using the recommendations from the Chesapeake Bay Partnership Oyster BMP expert panel report (due to be completed in May 2016).

In addition to these activities, the Hogan Administration has been reviewing alternative uses for poultry litter, including using excess litter for energy. As a part of this effort the Bay Cabinet agencies, led by the Maryland Department of Agriculture, are helping Maryland farmers meet the demands of the Phosphorous Management Tool.

Maryland Environmental Service is distributing a Request for Information (RFI) to firms interested in developing projects that will use or remove excess poultry waste on the Eastern Shore. The revenue stream offered through nutrient trading can make such projects economically viable in Maryland. Companies interested in the RFI can call Maryland Environmental Service Procurement at 410-729-8510 or email procurement@menv.com.

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