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Source: Daily Environment Report: News  
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## **Chesapeake Bay**

### **Advocates Want Rigorous Regulation Of Nutrient Trading in Bay Watershed**

*By Jeff Day*

Nutrient trading could be a cost-effective way to reduce nutrient and sediment pollution in the Chesapeake Bay watershed, but only if it is rigorously administered and nonpoint pollution reduction technologies are subject to independent verification, according to preliminary findings and recommendations released Jan. 31 by a group of scientists and clean water advocates.

The Environmental Protection Agency's mandatory order to reduce the amount of nitrogen, phosphorus, and sediment flowing toward the bay by 2025 authorizes the use of nutrient trading. According to the group, Senior Scientists and Policymakers for the Bay, each of the six bay states has proposed using nutrient trading in their draft 2012-2017 watershed implementation plans.

#### **Great Potential, Many Pitfalls**

Nutrient trading has many attractive features, such as giving farmers and localities financial incentives to support the restoration effort, according to the study, which was written by a nutrient management subcommittee of the group. The study noted that trading has been used successfully to reduce air pollutants.

However, it warned that use of nutrient trading to reduce water pollutants has not been subject to rigorous scientific review. In particular, the study said "there is a lack of data and case studies to support or refute assertions about nutrient trading." In addition, it said nutrient trading has never been attempted on the scale of the Chesapeake Bay watershed.

EPA must vigilantly oversee each of the bay jurisdictions' trading methods, according to the group. The study included a number of caveats and recommendations for Chesapeake Bay nutrient trading, including:

- Credited practices and the models used to calculate the amounts of credits awarded need to be standardized.
- A policy of "net improvement credit" is needed to account for uncertainties in nonpoint source reductions and runoff variability.
- Nutrient trading should not be used to maintain discharges at technology levels below industry standards.
- Nutrient trading may create environmental justice issues by moving problems to disadvantaged areas.
- Priority should be placed on trading programs that improve water quality in single tributaries.

The report looks dimly on providing growth allocations to wastewater treatment plants, saying firm pollution caps need to be put in place to support the nutrient trading market. The allocations "represent an unmitigated giveaway of pollution," and should be eliminated or severely restricted, according to the study.

#### **Regulatory Compliance Focus Faulted**

"There are various ways that the market can be manipulated to achieve nutrient reductions and better overall environmental outcomes," the group said. It added that better environmental outcomes—not merely meeting regulatory requirements—should be the goal of nutrient trading.

The Senior Scientists and Policymakers paper was submitted to EPA in mid-January in response to the agency's request for comments on the issue, William Dennison, lead author of the study and a professor at the University of Maryland Center for Environmental Science, told Bloomberg BNA Jan. 31.

EPA Region 3 spokesman David Sternberg said the agency in December sent to bay jurisdictions draft assessments of their nutrient trading programs. EPA asked the states to comment on the drafts, and it solicited comment from interested parties and received replies from 10 of the groups, Sternberg said. According to Sternberg, EPA is working to complete the state assessment reports, factoring in comments from both the states and the interested parties. When finalized, the completed reports and comments received will be posted on EPA's website, he said.

#### **For More Information**

The Senior Scientists and Policymakers for the Bay report is available at <http://www.bayactionplan.com/wordpress/wp-content/uploads/2012/01/Nutrient-Trading-Report.pdf>.