

Minutes

**CHESAPEAKE BAY COMMISSION
Washington DC
May 10-11-2007**

The Chesapeake Bay Commission held its second quarterly meeting on Thursday and Friday, May 10-11, 2007 in Washington, DC.

The following Commission members and staff were in attendance

Senator Mike Brubaker
Secretary Preston Bryant
Delegate John Cosgrove
Assistant Secretary Frank Dawson
Representative Russ Fairchild
Senator Emmett W. Hanger, Jr.
VA Citizen Representative Irvine B. Hill
Delegate Jim Hubbard
Delegate Lynwood Lewis
Delegate Scott Lingamfelter
Deputy Secretary Cathy Myers
Carolyn Neill
Senator Nick Rerras
Senator Mike Waugh
Delegate Mike Weir, Jr.
PA Citizen Representative George Wolff
Delegate John F. Wood, Jr.

Staff: Ann Pesiri Swanson
Suzan Bulbulkaya
Marel Raub
Pat Stuntz
Paula Hose

Members not in attendance:

MD Citizen Representative Bernie Fowler
Senator Brian E. Frosh (proxy)
Secretary John Griffin (proxy)
Representative Arthur Hershey (proxy)
Representative Ed Staback
Senator J. Lowell Stoltzfus (proxy)

Thursday, May 11, 2006

**MEETINGS WITH THE CONGRESSIONAL MEMBERS OF THE CHESAPEAKE BAY
WATERSHED TASK FORCE**

Senator Ben Cardin (Md.) and staff
Senator Robert Casey (Pa.) and staff
Senator Arlen Specter (Pa.) and staff

Senator John Warner (Va.) and staff
Senator James Webb (Va.) and staff
Congressman Tom Davis (Va.) and staff
Congresswoman Thelma Drake (Va.) and staff
Congressman Randy Forbes (Va.) and staff
Congressman Wayne Gilchrest (Md.) and staff
Congressman Bob Goodlatte (Va.) and staff
Congressman Tim Holden (Pa.) and staff
Congressman John Peterson (Pa.) and staff
Congressman Todd Platts (Pa.) and staff
Congressman John Sarbanes (Md.) and staff
Congressman Robert Scott (Va.) and staff
Congressman Chris Van Hollen (Md.) and staff

Staff representatives for Congressman Eric Cantor (Va.)
Staff representatives for Congressman Steny Hoyer (Md.)
Staff representatives for Congressman Joseph Pitts (Pa.)

Friday, May 12, 2006

Washington Plaza Hotel

BREAKFAST DELEGATION MEETING

During the breakfast delegation meetings the members reflected on the prior day's meetings with their congressional colleagues. Each of the delegations reported having very positive meetings, with excellent attendance by the Congressional members, and agreed to continue the tradition next May. Topics of conversation were the reauthorization of the Farm Bill and its Chesapeake Bay counterpart (CHESSEA), Abandoned Mine Lands legislation, the Clean Water State Revolving Fund and upgrades to the Blue Plains wastewater treatment plant.

MEETING CALLED TO ORDER

The business meeting was called to order by Chairman James Hubbard at 9:00 A.M. Following roll call, the January meeting minutes and the agenda were adopted as proposed. Delegate Hubbard introduced the Commission's newest member: Senator Mike Brubaker (Pa.). Delegate Hubbard also announced Pennsylvania Representative Edward Staback and Maryland Natural Resources Secretary John Griffin as new members, who unfortunately could not attend this meeting.

CHAIRMAN'S UPDATES

2008 Meeting Dates

The 2008 meeting dates (January 3 – Annapolis; May 8 & 9 – Maryland; September 4 & 5 – Pennsylvania; and November 6 & 7 – Virginia) were approved. The members also agreed to continue the tradition of holding the May meeting in Washington, DC and to continue meeting with Congress.

CBC Fiscal Year 07-08 Budget

The Commission's FY 2007-2008 Budget was adopted as proposed. Senator Frosh (Md.), Senator Stoltzfus (Md.), Representative Hershey (Pa.), and Maryland Secretary Griffin voted for adoption of the budget via proxies.

CBC Communications

Chairman Hubbard commended staff on their work on the Commission's 2006 Annual Report which was distributed in April. He requested the members take additional copies ensuring proper distribution in their jurisdictions.

Chairman Hubbard also announced that the Commission's new website was completed and on line. He encouraged members to visit the site and provide any comments or suggestions to Administrative Officer Paula Hose.

Chesapeake Bay Program's 2006 Chesapeake Bay Report Card

Chairman Hubbard informed members that the Chesapeake Bay Program's 2006 Chesapeake Bay Report Card was in their meeting packets. The report provides a synopsis of Bay health and restoration efforts taking place across the watershed. The assessment reports that the Bay's overall health remains degraded despite the significant advances in restoration efforts, echoing the comments the members heard from Rich Batiuk during his presentation at the January Commission meeting.

Farm Bill Update

The Commission was instrumental in garnering support from seventeen co-sponsors to sign on to Congressman Van Hollen's CHESSEA Bill, H.R. 1766, which contains provision that will benefit farmers and water quality, especially in our watershed. Chairman Hubbard reported that to date we have submitted comments and are tracking four different "marker bills" in Congress. Staff prepared a matrix comparing the conservation provision in the four bills that was distributed to the members.

2006 GENERAL ASSEMBLY REPORTS

Senator Mike Waugh (Pa.), Delegate John Cosgrove (Va.), and Delegate Jim Hubbard (Md.) reported on their states' Chesapeake Bay- related legislative initiatives for 2007, which are summarized below:

Maryland

Vehicle emissions: The Clean Cars Act (HB 131/SB 103) strengthens the standards for emissions that form smog and other health-damaging pollution (including nitrogen oxides which contribute to nutrient loads to the Bay). It adds carbon dioxide—the main cause of global warming—to the list of pollutants that are covered by vehicle emission standards and requires that a percentage of new cars sold each year are advanced technology vehicles such as hybrids.

By implementing the program to take effect in model year 2011 (calendar year 2010), Maryland could reduce carbon dioxide pollution from cars and light trucks by 4.4 million metric tons by 2020. This is 14% below projected levels. Benzene and other cancer-causing pollutants would be reduced by 2,100 tons per year and nitrogen pollution by 1,500 tons per year by 2027.

Stormwater Management: The Stormwater Management Act (HB 784/SB 786) raises the standards for new development by requiring developers to plan comprehensively for runoff during construction and after development and to focus on preventing, minimizing, and mitigating runoff at the site. SB 784/HB786 will decrease the amount of runoff to the Bay by mandating environmental site design techniques, which are currently encouraged, but not required. Low impact design includes reduction of impervious cover, maintenance of natural vegetation, and reduction of pollution. This type of system is typically much more cost effective than structural methods and addresses problems before the project is built.

Phosphorus-free dish detergent: This legislation (SB 766/HB 1131) bans the sale of dishwashing detergent containing phosphorus for residential use by 2010. It calls for MDE to conduct a study to develop a timeframe for the removal of phosphorus in commercial dishwashing detergent. Reducing the phosphorus content of dishwashing detergent is estimated to reduce overall phosphorus loads by 3% annually. In addition, this action will reduce chemical treatment costs at wastewater treatment plants.

Renewable energy: Solar energy was added to the Renewable Portfolio Standard (SB 595/HB 1016) and an income tax credit was approved for the purchase and installation of photovoltaic systems.

Land Conservation: The budget proposed by the Governor and passed by the legislature includes funding for Program Open Space in FY 2008.

Pennsylvania

HB 100

The Resource Enhancement and Protection Act (REAP) would establish a transferable tax credit for up to 75% of the installation cost of agricultural best management practices. The maximum number of credits per agricultural operation would be \$150,000 and can be used over a period of 15 years. The total authorized credits equal \$450M through FY 2017. Companion Senate Bill expected but not yet introduced.

Currently in Agriculture and Rural Affairs Committee

HB 772

Would establish the Energy Efficiency and Pollution Reduction Initiative within the Department of Environmental Protection. The Initiative would, through the use of grants and an electronic clearinghouse, provide public education, technical assistance, and research and promotion for pollution prevention and reduction technologies. Additionally, the bill could create the Keystone Energy and Environmental Excellence Awards to recognize those "that exemplify the highest commitment to restoring and protecting the environment or that have shown innovation in conservation energy or in the development of clean energy or energy-efficient technologies." The Initiative and awards program would be funded through \$200,000 from the Oil and Gas lease fund and \$2M from the General Fund.

Currently in Environmental Resources and Energy Committee

HB 904

Would authorize municipalities to enact a temporary development moratorium during a period of enactment or revision of a comprehensive plan, zoning ordinance or land development/subdivision ordinance.

Currently in Local Government Committee

HB 1224

Would provide a tax credit for 75% of the cost of retrofitting a model year 2006 and older diesel engines to comply with new catalytic converter requirements for model years 2007 and newer.

Currently in Finance Committee

SB 607

Would establish a clearinghouse for prototypical school designs that include, among others, standards for environmental protection, energy efficiency, and preservation of open space.

Currently in Education Committee

Virginia

SB 771/HB 1710 Chesapeake Bay Bonds The issuance of up to \$250 million in bonds is authorized for grants to localities for the installation of nutrient removal technologies at sewage treatment plants to implement Virginia's Chesapeake Bay Tributary Strategies.

HB 2082 Harvest quota on menhaden fishery. An annual menhaden harvest cap of 109,020 metric tons for the Virginia portion of the Chesapeake Bay is established. If an annual harvest falls

below the cap, then a credit will be applied to the next year's harvest. However, if an annual harvest exceeds the cap, then a deduction will be applied to the following year's cap. Any person who harvests menhaden for reduction purposes after receiving notice that the quota has been met is guilty of a Class 1 misdemeanor (up to 12 months in jail and/or a fine of up to \$2,500).

SB 1333/HB 1855 Shellfish Aquaculture General Permit. VMRC is required to develop a general permit for the placement of temporary shellfish enclosures in state waters for aquaculture. The general permit will include provisions to ensure that the enclosures may be easily located and removed if (i) a threat to navigation arises, (ii) the enclosure is idle, or (iii) the lease conditions are otherwise violated.

HJR 650 Derelict Crab Trap Study and Report. The Center for Coastal Resources Management at the Virginia Institute of Marine Science will continue to study abandoned and discarded crab traps that litter Virginia's rivers and the Bay. The Center will submit a report of its findings to the General Assembly in November 2007 that assesses the scope of the issue and identifies potential mitigation options.

SB 1211/HB 2694 Land Conservation. The Virginia Resources Authority is expanded to now also include financing land conservation programs, including acquisition of rights or interests in land for conservation purposes. The VRA has a debt limit of \$900 million and has been used for loans, grants, and credit enhancements to localities for financing such public interest projects as water, sewer, and drainage improvements, solid waste treatment, disposal and management projects, recycling projects, professional sports facilities, and public transportation facilities. If a locality chooses to finance a land conservation project through VRA, they could benefit from reduced borrowing costs, thereby decreasing the financial burden to local taxpayers.

SB 1407 Crop Incentives. Requires the Department of Agriculture and Consumer Services to develop a program to encourage the production of crops that can be used as a source of biomass for energy generation and transportation, and promote aquaculture of native species within the waters of the Chesapeake Bay.

BIOFUELS AND THE BAY

The Commission's project to assess the opportunities and environmental implications associated with biofuels production and use within the Chesapeake Bay Watershed is a topic of great interest to farmers in the Chesapeake and is of course particularly timely given the focus on the Farm Bill.

Dr. James Pease, Professor of Applied Agriculture & Applied Science at Virginia Tech presented his findings on the use of ethanol and other alternative fuels in the Mid-Atlantic region. Dr. Pease reviewed a wide range of government subsidies that are driving the market for biofuels, particularly ethanol. He cautioned that the expansion of ethanol production based on corn grain could have negative water quality implications, and presented his analysis showing a potential increase of as much as 8.1 million pounds of nitrogen that could reach Bay tributaries from an additional 500,000 acres of corn across the watershed. Dr. Pease addressed the issue of distiller's grain, a byproduct of the corn to ethanol process, and concluded that its impact on livestock rations and manure nutrient loss is unclear.

Bill Matuszeski, former director of the Chesapeake Bay Program who is assisting the Commission in analyzing biofuels from a Chesapeake Bay perspective, gave the members an update on the project. He reviewed preliminary findings based on a review of potential economic and environmental benefits associated with grain-based and cellulose-based ethanol, biodiesel, and combustion and gasification technologies.

For grain-based ethanol, the report is assuming likely near-term substantial increases in corn acreage, and recommending a concerted focus on mitigating adverse impacts on the Bay through agricultural conservation measures. For cellulosic ethanol, the report suggests that we position the Chesapeake region to take early advantage of new technologies and to replace corn with alternatives, such as switchgrass and forest slash. The report reviews a wide range of suitable feedstocks for biodiesel, including soybeans, poultry fat and algae from wastewater treatment plants. It recommends further research on combustion and gasification options to generate heat or electricity for on-farm operations.

Reviews are upcoming by both a technical advisory committee and a subcommittee of Bay Commission members. The report is scheduled to be completed by August 2007.

C. ARIAKENSIS

Jeff Corbin, Assistant Secretary of Virginia Natural Resources, provided the members with an update on the latest developments with the Environmental Impact Statement (EIS) for the introduction of Asian oysters in the Bay. Assistant Secretary Corbin explained that the purpose of the EIS is to identify a preferred set of alternatives for establishing an oyster population at a level of abundance similar to levels seen between 1920 and 1970. At least eight different alternatives are being studied and will be presented in the EIS. The Oyster EIS Advisory Panel consists of eight experts from around the U.S. and France. The Advisory Panel is scheduled to meet in June and then November to review a pre-draft EIS. Meanwhile, the EIS Executive Committee (State Secretaries Bryant and Griffin and Colonel Anninos) is scheduled to meet in the end of June with cooperating federal agencies to establish a status report for completion of the EIS. It is expected that a draft EIS will be available in late December 2007 for public review, with the final EIS being released in June 2008.

ADJOURN

The meeting adjourned at 12:00 P.M.

The next meeting of the Chesapeake Bay Commission
will be held in Baltimore, Maryland on September 13-14, 2007