

Minutes

**CHESAPEAKE BAY COMMISSION
Washington DC
May 8-9, 2008**

The Chesapeake Bay Commission held its second quarterly meeting on Thursday and Friday, May 8-9, 2008 in Washington, DC.

The following Commission members and staff were in attendance

Rear Admiral Mark Boensel
Patricia Buckley
Senator Mike Brubaker
Assistant Secretary Jeff Corbin
Delegate Virginia Clagett
Delegate John Cosgrove
Assistant Secretary Frank Dawson
MD Citizen Representative Bernie Fowler
Senator Brian E. Frosh
Senator Emmett W. Hanger, Jr.
Representative Arthur Hershey
VA Citizen Representative Irvine B. Hill
Delegate Jim Hubbard
Delegate Lynwood Lewis
Delegate Scott Lingamfelter
Representative Mike Sturla
Senator Mike Waugh
Senator Mary Margaret Whipple
PA Citizen Representative George Wolff
Delegate John F. Wood, Jr.

Staff: Ann Pesiri Swanson
Suzan Bulbulkaya
Matt Mullin
Marel Raub
Paula Hose

Members not in attendance:

Representative Russ Fairchild (proxy)
Secretary John Griffin (proxy)

Thursday, May 8, 2008

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

Senator Ben Cardin (Md.) and staff
Senator Robert Casey (Pa.) and staff
Staff representatives for Senator Barbara Mikulski (Md.)
Senator Arlen Specter (Pa.) and staff

Senator John Warner (Va.) and staff
Senator James Webb (Va.) and staff
Congressman Chris Carney (Pa.) and staff
Congresswoman Thelma Drake (Va.) and staff
Congressman Virgil Goode (Va.) and staff
Congressman Bob Goodlatte (Va.) and staff
Congressman Tim Holden (Pa.) and staff
Congressman Steny Hoyer (Md.) and staff
Congressman Paul Kanjorski (Pa.) and staff
Congressman John Peterson (Pa.) and staff
Staff representative for Congressman Todd Platts (Pa.)
Congressman Dutch Ruppersberger (Md.) 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.)

The Maryland Delegation members also had the opportunity to meet with Congressman Collin C. Peterson (Mn.), Chairman of the House Agriculture Committee.

Friday, May 9, 2008

Washington Plaza Hotel

BREAKFAST DELEGATION MEETING

During the state delegation breakfast 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. The main topics of discussion centered on the Commission's Congressional Agenda, released in February 2008. Some of the important issues included finalization of the Farm Bill, reauthorization of the EPA Chesapeake Bay Program, NOAA and the Bay Gateways Program, expansion of the Water Resources Development Act to incorporate further Bay restoration programs, as well as appropriations to upgrade Blue Plains wastewater treatment plant. Garnering financial support for the Bay's watermen was another timely issue discussed primarily at the Maryland and Virginia meetings due to the recently imposed lower harvest limits on blue crabs.

MEETING CALLED TO ORDER

The business meeting was called to order by Chairman Art Hershey at 8:15 A.M. Following roll call, the January meeting minutes and the agenda were adopted as proposed. Representative Hershey introduced the Commission's two new members: Senator Mary Margaret Whipple (Va.) and Delegate Virginia Clagett (Md.).

CLIMATE CHANGE

Dr. Virginia Burkett, Chief Scientist for Global Change Research at the U.S. Geological Survey, gave a presentation to the members on the physical science, ecological impacts and adaptation of climate change from a global perspective.

Dr. Donald Boesch, President of the University of Maryland, Center for Environmental Studies, followed-up Dr. Burkett's presentation with a briefing on the potential implications of climate change here in the Chesapeake Bay.

CHAIRMAN'S UPDATES

2009 Meeting Dates

The 2009 meeting dates (January 8 – Annapolis; May 7 & 8 – Washington, DC; September 10 & 11 – Virginia; and November 12 & 13 – Maryland) 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 08-09 Budget

The Commission's FY 2008-2009 Budget was adopted as proposed. Representative Russ Fairchild (Pa.), and Maryland Secretary Griffin voted for adoption of the budget via proxies.

2008 GENERAL ASSEMBLY REPORTS

Representative Art Hershey (Pa.), Delegate John Cosgrove (Va.), and Delegate John Wood (Md.) reported on their states' Chesapeake Bay- related legislative initiatives for 2008, which are summarized below:

MARYLAND

SB 213/HB368 - CHESAPEAKE BAY 2010 TRUST FUND AND NONPOINT SOURCE FUND

This legislation established a management framework and disbursement process for how an annual \$25 million appropriation for nonpoint source pollution will be allocated. Moneys allocated will be targeted towards nonpoint source reduction practices that are cost-effective and offer the biggest load reduction feasible.

SB844/HB1253 - CHESAPEAKE AND ATLANTIC COASTAL BAYS CRITICAL AREA PROTECTION PROGRAM - ADMINISTRATIVE AND ENFORCEMENT PROVISIONS

This legislation strengthens and clarifies enforcement procedures, streamlines the Critical Area Program, updates maps used in determining the boundaries of the critical area, establishes regulatory authority to the Critical Area Commission, and ensures consistent and effective coordination between the state and local governments, thereby more effectively protecting the State's tidal shorelines from negative impacts of growth and development.

SB 205/HB374 - EMPOWER MARYLAND ENERGY EFFICIENCY ACT OF 2008

This measure establishes achievable electricity consumption reduction goals. The Public Service Commission and Maryland Energy Administration have recently warned of possible rolling brownouts throughout the State in the near future because public electricity consumption is outpacing electricity supplies. This bill would directly address those concerns through cost-effective and conservation measures and services, and would also directly decrease greenhouse gas emissions.

SB 268/HB368 - RGGI – MARYLAND STRATEGIC ENERGY INVESTMENT PROGRAM

This measure provides incentives through Maryland Strategic Energy Investment Fund to decrease energy demand and increase energy supply to promote affordable, reliable, and clean energy. Moneys would promote, develop, and implement energy efficiency and conservation programs, renewable and clean energy resources, climate change research, and others in order to reduce greenhouse gas emissions.

SB 209/HB375 - RENEWABLE PORTFOLIO STANDARD PERCENTAGE REQUIREMENTS – ACCELERATION

This measure doubles the percentages of electricity sales from Tier 1 and Tier 2 renewable energy sources. By increasing the supply of energy from renewable sources, Maryland will again directly address its greenhouse gas emissions that drive climate change and subsequent negative effects on the Chesapeake Bay.

SB 309/HB712 - GLOBAL WARMING SOLUTIONS - REDUCTIONS IN GREENHOUSE GASES

This legislation would have specified moneys to be paid into, and expanded the permissible uses of, the Maryland Clean Air Fund; requiring the Department of the Environment to adopt regulations to require specified reductions in greenhouse gas emissions by specified years; requiring the Department to publish specified lists of greenhouse gas reduction measures and a final plan, and to adopt regulations in order to

implement these measures; creating the Office of Climate Change within the Department and specifying its duties; etc. This legislation would have established limits on greenhouse gas emissions and a complimentary timeline for implementation. It would have created economic incentives for industry through the creation of a cap-and-trade system.

SB 246/HB447 - AGRICULTURE – FERTILIZER – PHOSPHOROUS CONTENT REDUCTION

This measure would have codified the Agreement that the Chesapeake Executive Council forged with The Scotts Company LLC and the headwater state jurisdictions to reduce phosphorus content in their fertilizers for home use by 50% by 2009. This initiative extended the same commitment to all fertilizer manufacturers.

PENNSYLVANIA

SR 224 - TRIBUTARY STRATEGY COST STUDY

The Joint Legislative Budget and Finance Committee has been directed to investigate the cost for wastewater treatment plants to comply with Pennsylvania's Chesapeake Bay Tributary Strategy, with a report due in November.

SB 295 - IDLING RESTRICTIONS

Diesel-powered commercial vehicles would be restricted from idling more than five minutes in a 60-minute period, with certain exceptions, under legislation that has passed the Senate and is currently before the House Transportation Committee.

SB 1017 - PHOSPHATE DETERGENT BAN

Legislation expanding the phosphate detergent ban to household dishwashing detergent has passed the Senate and is awaiting action in the full House.

SB 1020 - CONSERVATION DISTRICT LAW AMENDMENTS

This bill amending the Conservation District Law was passed unanimously by the Senate and awaits action in the House Agriculture and Rural Affairs Committee. The bill includes several administrative changes for county conservation districts and the State Conservation Commission to enhance their effectiveness in delivering local conservation services.

SB 1062 - BROWNFIELD REMEDIATION REIMBURSEMENT

Costs incurred for remediation of brownfield sites would be reimbursed under legislation before the full Senate.

SB 1317 SPECIAL SESSION SB 41 - FARMS TO FUELS INITIATIVE

Bills to encourage production of "bioenergy crops" generally (1317), and switchgrass specifically (41), are before the Senate Agriculture and Rural Affairs Committee and Energy Policies Committee, respectively. For each acre harvested, farmers would receive a subsidy of \$150 in the first year, \$100 in the second year, and \$50 in the third.

SPECIAL SESSION SB 25 - EXPANSION OF TIER I BIOMASS CATEGORY

Amendments to the Commonwealth's Alternative Energy Portfolio Standards would make wood by-products produced in the Commonwealth, including sawdust and lignins, a Tier 1 biomass source. The bill has passed the Senate and has been referred to the House Environmental Resources and Energy Committee.

HB 1304 - GEOSPATIAL COORDINATING ADVISORY COUNCIL

A bill providing for inter-governmental coordination of geospatial information and mapping technology has been reported from the Intergovernmental Affairs Committee and is currently before the Appropriations Committee in the House.

HB 2266 - AMENDMENTS TO STORM WATER MANAGEMENT ACT

An update to the Commonwealth's Storm Water Management Act would authorize counties to regulate stormwater within a watershed-based planning area, and would authorize formation of water resources management authorities, among other provisions. The legislation has been reported out of the House Environmental Resources and Energy Committee and is currently before the House Local Government Committee.

HB 2347 - ORGANIC FARMING TRANSITION PROGRAM

A proposal to assist farmers both financially and technically in transition to organic agriculture is before the House Agriculture and Rural Affairs Committee.

HB 2441 - CHESAPEAKE BAY WATERSHED NUTRIENT REDUCTION INFRASTRUCTURE PROGRAM (not yet introduced)

Legislation is being drafted to provide a comprehensive funding package for nutrient and sediment reductions by point and non-point sources in the Chesapeake Bay watershed.

SPECIAL SESSION HB 17 - HYBRID VEHICLE SALES TAX EXEMPTION

A sales tax exemption for the purchase of hybrid vehicles is awaiting action in the full House.

SPECIAL SESSION HB 61 - HYBRID VEHICLES REBATE PROGRAM

The House Appropriations Committee is considering a \$15 million provision to fund the Commonwealth's hybrid vehicle rebate program.

VIRGINIA

HB 233 - PHOSPHATE DISHWASHING DETERGENT BAN

The use of phosphorus is banned in detergents for household automatic dishwashing machines. The bill contains a delayed effective date of July 1, 2010 and is similar to legislation introduced in Maryland and Pennsylvania.

SB 511/HB 1335 - AGRICULTURAL CONSERVATION FUNDING

The Virginia Natural Resources Commitment Fund for agricultural conservation practices is established. Beginning in July and for the next 10 years, moneys in the Fund will be distributed to the Department of Conservation and Recreation's Agricultural Best Management Practices Cost-Share Program for the implementation of priority agricultural best management practices (BMPs). Fifty-seven percent of the money will be used for matching grants to implement BMPs on agricultural lands in the Chesapeake Bay watershed and 38 percent will be used for all other lands in the Commonwealth. Five percent of the fund will be allocated to soil and water conservation districts for technical assistance. This year, \$20M was appropriated to the fund.

SB 795 - BOND BILL

This billion dollar bond package includes authorizations for the issuance of \$30M for general land conservation acquisitions and \$5M for civil war battlefield sites that require a 2 to 1 match. The Secretary of Natural Resources and the Governor's Office will decide how the funds will be used.

SB 135 - APPLICATION OF COMMERCIAL FERTILIZERS

The Board of Agriculture and Consumer Services will adopt regulations that ensure contractor/applicators are trained and properly apply regulated fertilizers to non-agricultural land. The regulations will be developed in accordance with the Department of Conservation and Recreation's nutrient management training and certification program. Any contractor/applicator who applies fertilizer does not comply with the regulations is subject to a \$250 civil penalty.

SB 464 – COMMISSION ON ENERGY AND ENVIRONMENT

The Virginia Commission on Energy and Environment is established as a legislative study commission to review and recommend steps to implement the Governor's Virginia Energy Plan. The Commission is charged, among other things, to (i) undertake studies and gather information, (ii) make recommendations to secure Virginia's energy future, (iii) establish advisory committees composed of persons with special expertise, (iv) seek, accept, and expend gifts, grants or donations to enable the Commission to carry out its objectives, (v) review and make recommendations on legislation affecting energy policy to the General Assembly, and (vi) report to the Governor and the General Assembly annually on its activities.

SB 689 AND HB 139 – BIOFUELS

SB 689 amends the Virginia Biofuels Production Incentive Grant Program by expanding the definition of biodiesel and clarifying that the production incentive grant of ten cents a gallon applies only to producers of at least two million gallons of biofuels annually. HB 139 establishes an income tax credit for producers of biodiesel and green diesel fuels in Virginia who produce up to two million gallons of biodiesel fuels a year. The amount of the credit is \$0.01 per gallon but no more than \$5,000 annually.

CELLULOSIC BIOFUELS POLICY SUMMIT

Ann Swanson, Executive Director briefed the members on the progress made on the upcoming September 4, 2008 Biofuels Summit in Harrisburg, PA.

BI-STATE BLUE CRAB MANAGEMENT

Frank Dawson, Assistant Secretary for Maryland Department of Natural Resources and Jeff Corbin, Assistant Secretary for Virginia Natural Resources briefed the members on the latest developments and actions being taken by the states regarding the Blue Crab. On April 15th, a briefing on the 2008 status of the Blue Crab stock was given to Governors Kaine and O'Malley. The presentation will be posted on the Commission's website. In 2008, the total abundance of blue crabs is approximately 280 million crabs, near historic low levels. In an effort to reduce harvest pressure on blue crabs and give them a chance to rebound, both Maryland and Virginia have agreed to reduce the 2008 harvest of female crabs by 34%. It is believed that this will lead to a projected increase of over 20 million female crabs left in the Bay to spawn. The two states will implement measures to achieve this goal, monitor their progress, and continue to collaborate to achieve a Bay-wide solution for the blue crab.

ADJOURN

The meeting adjourned at 11:30 A.M.

The next meeting of the Chesapeake Bay Commission
will be held in Harrisburg, Pennsylvania on September 4-5, 2008