



HARRISBURG REGIONAL
CHAMBER & CREDC

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February 21, 2008

The Honorable Jake Corman
Chairman, Senate Majority Policy Committee
20 East Wing
Senate Box 203034
Harrisburg, PA 17120-3034

RE: Implementation of DEP's Chesapeake Bay Strategy

Dear Senator Corman:

We would like this letter to be included in the record of the February 21, 2008 Senate Majority Policy Committee Public Hearing on the Chesapeake Bay Tributary Strategy. The Harrisburg Regional Chamber & CREDC represents 1,700 businesses in Cumberland, Dauphin and Perry Counties. The Chamber also leads the economic development efforts in the tri-county region through its Capital Region Economic Development Corporation (CREDC). The Chamber and CREDC's legislative advocacy committees have been actively involved in monitoring implementation of the Pennsylvania Department of Environmental Protection's ("DEP") Chesapeake Bay Tributary Strategy. While we support cleaning up the Chesapeake Bay, our members are particularly concerned about the disproportionate expense to be borne by the municipal wastewater treatment plants. We also support SR 224 and its direction to the Legislative Budget and Finance Committee to estimate the costs for sewage treatment plants to comply with the Strategy, assess the methods by which those plants may achieve compliance and identify financial resources committed by other states and the financial resources committed by Pennsylvania.

Nutrient overload has been identified as the primary cause of water quality degradation within the Chesapeake Bay. However, wastewater treatment plants are responsible for approximately 20% of nutrient discharges into the Bay. In 2000, Virginia, Maryland, the District of Columbia, Pennsylvania and EPA agreed to improve water quality in the Bay and its tributaries so that these waters would be removed from EPA's list of impaired waters by 2010 and avoid federally imposed limits. Pennsylvania intended to meet its nutrient reduction goals through enhanced nutrient removal technology at sewage treatment plants and a successful nutrient trading program. While significant progress has been made, it is clear Pennsylvania will not meet its nutrient reduction goals by 2010. Indeed, EPA has acknowledged the 2010 deadline will not be met.

As a strong voice for the business community in Central Pennsylvania, we are very concerned over the progress and implementation of the mandates/requirements for all sewage/water treatment facilities as well as the Nutrient Trading Program. Many issues have arisen that need further attention. Funding for the sewage and water treatment facilities' upgrades and the administration of the trading program are two of the significant issues that need immediate attention.

There is no debate that meeting these unfunded mandates will pose a significant financial burden on sewage/water treatment facilities and therefore, municipalities, businesses and residents. In order to meet requirements, state funding must be included in the 2008-2009 Budget as a priority. Virginia and Maryland have provided significant financial assistance to upgrade their sewage/water treatment facilities and be compliant under the 2000 Agreement. Pennsylvania must do the same to reach compliance by 2010 or face the risk of significant lawsuits or federally imposed limits on development.

The Nutrient Trading Program is meant to serve as a tool for sewage/water treatment facilities to meet nutrient reduction requirements. The administration of the program and its feasibility are currently in jeopardy. Trading may not be feasible when plants need to expand for growth, modernization or new regulations. Current credit availability is very uncertain now and will be in the future. The current program only encourages voluntary participation by the agricultural sector. Lastly, the market based approach created by DEP to administer credits further complicates the program's viability.

The Chamber's Environmental Committee has held many meetings with representatives of other business organizations in the Susquehanna region and they share our concern with the significant financial impact this Strategy will have on the business community. The Harrisburg Regional Chamber & CREDC's legislative advocacy committees feel that these two issues, funding and improving the nutrient trading program, need to be immediately addressed by the legislature. We support the proposed legislation of Representative Scott Perry, known as the Chesapeake Bay Strategy Improvement Act. This legislation would address funding and administrative issues addressed above. We also suggest more representation from the business community on the Governor's Sustainable Water Infrastructure Task Force.

If you have any questions or require further information, please contact Rachel A. Cornman at (717) 213-5041.

Sincerely,

A handwritten signature in black ink, appearing to read 'D. Black', written in a cursive style.

David E. Black
President & CEO