



**Remarks of  
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Chesapeake Bay Commission**

**Joint Informational Meeting  
Agriculture & Rural Affairs Committees  
Pennsylvania House and Senate  
August 16, 2017**

Good morning and thank you for your attention to this important topic.

The Chesapeake Bay Commission is a tri-state legislative commission advising the general assemblies of Pennsylvania, Maryland and Virginia. The Commission was established by Maryland and Virginia in 1980, and it was quickly apparent that for any Bay restoration to be successful, Pennsylvania had to be involved. The Commonwealth joined in 1985.

Pennsylvania provides 50 percent of the freshwater to the Bay, and 90 percent of the freshwater to the upper Bay. Over one-third of the Bay's watershed lies within Pennsylvania. Not surprisingly, Pennsylvania has the largest share of the nitrogen, phosphorus and sediment loads that are the focus of the Chesapeake Bay Total Maximum Daily Load (TMDL).

Like all states in the watershed, Pennsylvania's nutrient loads come from a variety of sources – wastewater, stormwater, agriculture and air deposition. Relative to Pennsylvania, Maryland and Virginia have a higher proportion of their load coming from wastewater. In Pennsylvania, the majority of the nitrogen load comes from agriculture.

In the thirty years since the restoration effort began, Pennsylvania has reduced 11 million pounds of its nitrogen load –  $\frac{3}{4}$  from agriculture and  $\frac{1}{4}$  from wastewater. To meet the TMDL, Pennsylvania will have to reduce another 34 million pounds in ten years – almost 80% of which will be expected to come from agriculture.

The TMDL requires that states will take sufficient incremental steps to reach a 2017 mid-point and 2025 final goal. Most states are “on track.” Pennsylvania is not. To get back on track, Pennsylvania will have to significantly accelerate its pace of reductions.

Accelerating implementation will require:

- more resources for practice implementation – both financial assistance and technical assistance
- more knowledge about how to leverage conservation practices for the economic benefit of the farm – such as income-producing buffers or linking livestock stream exclusion with herd health and milk quality.
- Better coordination of existing programs, such as through integrated water resources planning and multi-municipal planning
- Utilization of public-private partnerships and pay-for-performance models

- Application of new mapping tools to identify the most cost-effective places to focus our efforts.

While many of these may reduce the cost of implementation, there will be a cost. A recent report by Dr. Jim Shortle at Penn State has estimated the cost of agricultural implementation at \$378 million per year. That same report also estimated that through targeting of practices, that cost could be reduced to \$102 million a year. Current funding levels are around \$40 million per year.

Under the expectations that U.S. EPA has outlined for Pennsylvania's WIP, they will be looking for a state dedicated fund for agricultural cost-share, as well as the implementation of cost-effective strategies.

Farmers themselves are demonstrating the need for additional cost-share dollars. Approximately \$100 million worth of applications for conservation assistance came to USDA from farmers in Pennsylvania's portion of the Bay watershed last year. Only \$20 million was available.

And that is only for those farmers who choose to participate in the federal programs. We know that many farmers choose not to participate for a variety of reasons, and the structure of federal programs offers little flexibility to address their concerns.

USDA conservation programs will always be an important part of the agricultural solution, but Maryland and Virginia have taken extraordinary steps to offer a variety of state-level cost-share and other incentives to reduce loads from all sectors. By establishing robust dedicated funds for water quality, they have been able to support their communities and farmers as they implement the necessary upgrades and practices. As a result, both states are on-track with their Chesapeake Bay goals.

In Pennsylvania, this success could be replicated. A suggested revenue source for a dedicated water quality fund is a small fee on large water users. HB 20 suggests one hundredth of a cent per gallon on withdrawals greater than 10,000 gallons a day, and one tenth of a cent per gallon on consumptive uses greater than 10,000 gallons a day. Revenue estimates are projected to be \$245 million a year.

Even when shared with the other major watersheds in the Commonwealth, this would generate a meaningful source of support for Pennsylvania's farmers who shoulder much of the expectation for water quality improvement. As a new program, it could be crafted to make use of the new sophisticated tools that are becoming available to identify the most cost-effective practices and the geographic areas where the biggest progress can be achieved. As a state program, it can leverage efforts to improve local water quality and address the 19,000 miles of Pennsylvania rivers and streams that are listed as "impaired."<sup>1</sup>

Besides cost-share for the practices themselves, a new fund should also support technical assistance. Because non-point sources are dispersed across the landscape and require site-specific solutions, technical assistance providers, like conservation district staff or private providers, are extremely important to provide the plan-writing, engineering and project support

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<sup>1</sup> Federal Clean Water Act Section 303(d).

that farmers need. Investment in this human infrastructure can pay dividends in the successful implementation and long-term viability of conservation practices.

In addition to the sector workgroups that are developing recommendations for the Phase III WIP, a funding workgroup has also been established with a charge to: *Develop a comprehensive, fiscally-responsible and sustainable funding strategy to support full implementation of the Phase III WIP and local water quality. Specific recommendations for necessary legislative or administrative actions should be included.*

The Chair of the Chesapeake Bay Commission, Representative Garth Everett, co-chairs this workgroup with the Executive Director of PENNVEST, Brion Johnson. The 12 members of the workgroup include representatives of both the public and private sector.

A detailed plan to pay for implementation was not included in Phase I and II of the WIP, and is one of the reasons why Pennsylvania lags behind in its progress. By clarifying the funding gaps and developing a strategy to fill them, the Phase III WIP will have a much greater chance of success.

Finally, in addition to agriculture, some legislation to address urban sources are pending:

- SB 792 (Alloway) would create a certification program for commercial fertilizer applicators and limit the nitrogen and phosphorus in fertilizer applied to turf.
- HB 913 – HB 916 (Everett) would provide all municipalities with the option to enact a stormwater fee.

Thank you for your time and interest in the Chesapeake Bay. I am happy to answer any questions you have at this time, and am also available to you and your staff as you consider bills throughout the legislative session.