

TESTIMONY
Secretary of Natural Resources Molly Joseph Ward
Commonwealth of Virginia
The 2014 Chesapeake Bay Watershed Agreement
Senate Subcommittee on Water and Wildlife
Monday, September 8, 2014
Annapolis, Maryland

On behalf of Governor McAuliffe, thank you for inviting me to be part of this hearing on the 2014 Chesapeake Bay Watershed Agreement and our efforts to meet the nutrient and sediment reduction goals for the bay and its tidal tributaries.

I have been asked to address a number of issues related to the development of the agreement and our work to reduce nonpoint source pollution from agricultural sources. But please allow me to first set the context for Virginia's commitment to the protection and restoration of the bay.

Virginia's Commitment to the Chesapeake Bay

Virginia, as I'm sure you know, has been an active partner in the Chesapeake Bay Program since its establishment in 1983, and for good reason; of the over 11,000 miles of tidal shoreline that surround the bay and its tributaries, Virginia is home to over 7,200 of those miles.

We are a leading producer of seafood with our oyster harvest reaching over 500,000 bushels last year compared to just 23,000 bushels in 2001; resulting in a dockside value on more than \$22 million dollars. We are also a leader in the blue crab harvest and a host of other fisheries, both wild and cultured.

The bay is also a highway for commerce and a draw for recreation and tourism that is integral to the Commonwealth's economy. Just two weeks ago, Governor McAuliffe announced the establishment of the Virginia Oyster Trail that will promote the rebirth of Virginia's oyster industry along with Virginia wineries and other businesses along the trail. That same week, he was joined by a number of public and private partners to cut the ribbon on a new public access point along the Captain John Smith Chesapeake National Historic Trail at Caledon State Park on the Potomac River, again demonstrating the connection between our natural, historic and economic resources.

Governor McAuliffe's administration is focused on building a new Virginia economy that not only nurtures new business and industry, but capitalizes on economic strengths that have sustained our Commonwealth nearly from its beginning, industries such as seafood, agriculture and forestry.

Virginia has also not been shy about investing in the bay. On the point source side alone, Virginia, between the state and sewage treatment plant owners, has spent over \$1.6 billion on nutrient reduction upgrades in the bay watershed. Combined with an innovative point source nutrient trading program, we have led the watershed in point source nutrient reductions.

We established nutrient caps for each wastewater facility and each of the major tributary basins 4 years before the establishment of the Chesapeake Bay TMDL. These were sufficiently stringent that they were adopted almost as written by EPA when it issued the TMDL in 2010.

On the agricultural side, between the state best management practices cost-share program and the state share of the Conservation Reserve Enhancement Program, over \$200 million in state funds have been spent, supplemented by agricultural producers and federal funds. Virginia has also spent considerable amounts for land conservation, oyster replenishment and a host of other programs that directly benefit the bay and its tributaries.

I give you these examples only to ensure you and the members of your committee, the Congress and the public understand that we have put our money where our mouth is; on actions that will have a direct benefit to the water quality and the critical habitats of the Chesapeake Bay. I hope federal agencies and appropriators appreciate the magnitude of the investment that one single watershed state has made in support of the bay agreements to which we have been signatories.

The New Chesapeake Bay Watershed Agreement

By virtue of the signatures of the Governors of the six watershed states, the Mayor of the District of Columbia, the chairman of the Chesapeake Bay Commission and EPA on behalf the federal government, we have now an agreement that spans the entire watershed and the range of land, water, habitat, fisheries and other issues that are critical to the sustained restoration of the health and bounty of the bay.

The watershed agreement signed on June 16 is a departure from the past. Just as we have uncovered new knowledge and science to guide our efforts, we have also worked to improve our approach to management. Previous bay agreements set forth ambitious goals whose magnitude and difficulty may not have been fully appreciated at the time the agreements were signed. In addition, not all the goals and commitments were supported by specific strategies charting out how they would be achieved and who would take responsibility for their implementation.

I am not suggesting that these agreements were in vain; they represented the best science available at the time and provided the policy direction for significant actions taken by all the signatories. However, as you know we have a large watershed with complex scientific, management, social and political issues that take time to address and we may have been a little naïve in our ability to meet the commitments we made.

However, times have changed. This new agreement sets forth broad goals that are buttressed by specific outcomes supported by what will be detailed management strategies. The management strategies will demonstrate for all to see the actions that will be taken to meet the outcomes established in the agreement.

While we have in place a management structure that makes sense, I do not want to leave the impression that significant challenges do not still remain in meeting the ambitious goals of the agreement. However, I am heartened by the existence now of a complete watershed partnership, with the inclusion of Delaware, New York and West Virginia. This will certainly help in meeting our goals.

Upon taking office in January 2014, we immediately engaged in the review of the draft agreement and the Governor appointed a deputy secretary of natural resources for the Chesapeake Bay that bolstered our role in the negotiations. Even before the end of the public comment period earlier this year, Governor McAuliffe committed to including new goals and outcomes for toxics and climate change.

With respect to climate change, the Governor has established a Climate Change and Resiliency Commission that will build on the report prepared by Governor Kaine's administration more than 4 years ago. This reconstituted commission will help inform the actions we will take not only for the protection of the bay and its watershed but also for the rest of Virginia, particularly our vulnerable coastal areas, including Hampton Roads and the Eastern Shore.

Also over the course of our work on the agreement, we also endeavored to keep all the watershed states at the table. While being full partners in the bay agreement I'm sure was a bit daunting for the headwaters states of Delaware, New York and West Virginia, their participation is a critical element to ensure a watershed-wide approach to watershed protection and restoration. Our priority was to not only have a meaningful agreement but to keep all the states at the table as we looked for common ground on some difficult issues and language.

The Governor has publically stated and I say again today that Virginia is "all in" in the development and implementation of the management strategies that will define the actions necessary to achieve the goals and outcomes of the new agreement. We know that significant issues face the Chesapeake Bay beyond the nutrient and sediment reduction goals in the TMDL, and we look forward to fully participating across the range of issues embodied in the agreement.

The Governor has taken a particular interest in land conservation, knowing the multiple benefits it provides for air quality, habitat, recreation, tourism, access to waters and water quality protection. We have, since the very beginning of the administration, worked with land owners, land trusts, state and federal agencies and others to conserve important lands during this administration. As an example, the Governor has been doggedly supporting the Land and

Water Conservation Fund “Rivers of the Chesapeake” proposal that will lead to the protection of critical habitats and landscapes along some of the Chesapeake’s great rivers.

Our Work with Agriculture to Meet Water Quality Goals

The Governor committed during his campaign to keep Virginia on the trajectory to meet the 2017 60% load reduction goal for nutrient and sediments and his commitment hasn’t wavered. As I have said, while we have made great progress in reductions from wastewater, we must now turn our attention to the key nonpoint source sectors, urban and agriculture.

In the agricultural sector, we have committed over the next two years to significantly increase the installation of agricultural best management practices on the agricultural landscape through our existing state agricultural cost share program, with our partnerships with USDA’s Farm Service Agency and the Natural Resources Conservation Service, and now with the implementation of our new Resource Management Plan program, which I’ll refer to as RMPs.

In 2011, the Virginia General Assembly passed legislation which authorized the creation of the RMP program. Representatives from agricultural commodity groups, conservation organizations, and state and federal agencies worked together to develop the implementing regulations. The Virginia Soil and Water Conservation Board approved the regulations in 2013 and the effective date of the program was July 1, 2014.

Just two weeks ago, Governor McAuliffe visited a farm in the Shenandoah Valley that is just the second farm to have an RMP developed. During his remarks in support of the program, the Governor was joined at the podium by members of the General Assembly, the leadership of major agricultural and agribusiness organizations in Virginia, our Soil and Water Conservation Districts and environmental organizations demonstrating the broad support for this program. My secretariat continues to work side-by-side with the Secretary of Agriculture and Forestry to ensure close coordination within state government.

The idea for the RMPs had its origins in the agricultural community. It sprang from the common sense idea that each farm had its unique challenges and opportunities and each farmer, with the assistance of professionals, needs to make decisions about what practices work best for them and their operation within the framework of the standards established in the regulations that govern plan development under this voluntary program.

So what’s in it for farmers?

First, I would suggest a more efficient and profitable operation that will use fertilizers more wisely, improve soil health, increase yields and improve the health, safety and productivity of livestock.

Second, it demonstrates to the state, to EPA and the public that the producer is meeting a high standard of conservation and water quality protection. In return, a producer can be assured

that they are in compliance with any new state nutrient, sediment requirements that may come over the 9 year effective period of the plan, in particular those related to the Chesapeake Bay TMDL or local TMDLs. This is Virginia's approach to so-called "safe harbor" legislation that provides a measure of regulatory certainty reserved for producers that meet high standards of conservation and water quality protection.

Third, it allows us a vehicle for quantifying practices that were installed by a producer that were not part of a cost-share program.

Finally, participation in the program is completely voluntary. It's the farmer who makes the decision on whether to participate and the mix of practices to meet necessary standards.

So what's in it for Virginia and the rivers and streams and Chesapeake Bay that we hold in trust for all our citizens?

First, a continuing partnership with agriculture that yields benefits for the rural economy and our natural resources.

Second, just as the farmers will get credit for practices they have installed outside of a cost-share program, RMPs will allow us to report those practices in compliance with our Chesapeake Bay Watershed Implementation Plan and related EPA reporting requirements under the Chesapeake Bay TMDL.

RMPs require strict oversight and reporting to remain valid and we are partnering with our soil and water conservation districts to provide that service. I invite all to visit the website of the Department of Conservation and Recreation at dcr.virginia.gov to learn the details of the RMP program.

Finally, it will bring us closer to our water quality goals not only for the Chesapeake Bay but for the many rivers and streams throughout our commonwealth that have sustained fish and wildlife and generations of Virginians from Southwest Virginia to the Eastern Shore.

I am also happy to report exclusion of livestock from streams is a required element of an RMP. The benefits of this practice are well documented. As livestock producers know first-hand, when livestock is excluded from stream and given an alternative source of fresh water, herd health and safety improves, veterinarian bills fall, animal production improves and the water quality benefits can be dramatic. As Governor McAuliffe said on his visit to the Shenandoah Valley, livestock exclusion is a poster child for a win – win solution for profitable agriculture and water quality.

We have also made livestock exclusion a lynchpin of our state agricultural cost share program through the 100% cost-share of our so-called "SL-6" livestock exclusion practice through the next fiscal year that includes fencing, alternative watering, and pasture management.

I am not suggesting that farmers have not made significant improvements to date or that they have not embraced conservation practices. They have. But there is always more to do and the pace of implementation must be accelerated to meet our water quality goals within the timeframes of the TMDL.

While we are excited about this new program, we also recognize it is not without its challenges. We need funds for cost-share in a very difficult state budget climate, trained RMP plan writers and sufficient technical staff at our Soil and Water Conservation Districts and NRCS to fully realize the potential.

That's where our proposals for the Regional Conservation Partnership Program (RCPP) and the Critical Conservation Area (CCA) program under the Farm Bill come into play.

Farm Bill Funding Proposals

We are pleased our pre-proposals for the RCPP and CCA programs were favorably reviewed and that full proposals have been requested for each of the programs.

The focus of our RCPP proposal is to accelerate the installation for structural agricultural best management practices, particularly those related to livestock exclusion through building additional capacity for the technical assistance necessary to get those practices on the ground. We are also working to increase the number of buffers on lands placed under easement that would be held by the Virginia Outdoors Foundation. Our lead agency is the Department of Conservation and Recreation which manages our agricultural cost-share program and the RMP program. We are also partnering in this proposal with the Virginia Association of Soil and Water Conservation Districts, the Virginia Farm Bureau, Trout Unlimited, the Virginia Agribusiness Council and the Virginia Forage and Grassland Council.

With our CCA proposal, we are partnering with the states of Delaware and Maryland, nonprofit conservation organizations, federal agencies, and agricultural industry organizations to increase the numbers of BMPs on agricultural lands to meet the commitments made in our Chesapeake Bay TMDL Watershed Implementation Plans. Our focus as part of the broad CCA partnership is the funding of agricultural BMP implementation particularly stream exclusion and riparian buffers which are key elements of our Watershed Implementation Plan.

I am proud about what Virginia has done to date as a partner in this watershed effort. But we have more to do and time is growing short. I pledge the full attention of this administration to the needs of bay restoration and to continue to be a full and productive partner with our sister states, the federal government, agriculture, industry, localities, and citizens to truly restore this national treasure.

Thank you.