

12-19-2012

Pat, Hi

It was good talking you the other day.

As we discussed, please see attached the Draft Report with our comments and some edits in 'track changes' to clarify our Trading Program details. With regard to section II. B. 1. on page 3, please consider that:

1. Maryland's NPDES permits include WLAs, the nutrient cap-based permit limits for significant point sources, minor point sources and industrial point sources. WLAs serve as the baseline for generating point source discharge credits for use in trading. All new and expanded point source nutrient loads must be fully offset.

2. MDE's discharge permits program has consulted with the EPA Region III's NPDES Permits Branch, and we have not identified any shortcoming in our approach to establishing permit limits based on trades or offsets.

3. To-date, Maryland has not executed temporary trades. It would be helpful if EPA comments distinguish between approaches appropriate to permanent trades versus temporary trades requiring renewed implementation on an annual basis, for example.

With regard to section II. B. 2. on page 3

Maryland's Phase I WIP established that all nutrient impacts from future growth must be offset if the TMDL is to be met and the Chesapeake Bay restored. The Phase I WIP planned to implement an offset policy by the end of 2013. In 2011, Maryland convened a Growth and Offset workgroup' the next steps are described in the draft Phase II WIP.

Please let me know if you have any questions or need additional information.

Happy Holidays and Happy New Year

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