

Craig Derickson – Opening Comments

WELCOME

Good morning and welcome to the 2nd Annual Water Quality Trading Conference. I am Craig Derickson, Pennsylvania State Conservationist for the Natural Resources Conservation Service and I will be your host for the morning Plenary Session.

{About the conference}

We have a really interesting program prepared for you and you will hear some of the latest information and ideas on water quality and conservation trading.

- The US Environmental Protection Agency (EPA) and the US Department of Agriculture (USDA) are co-hosting this 2nd National Water Quality Trading Conference.
- USDA just released their National Policy on Market-Based Environmental Stewardship and this conference will raise awareness and explore opportunities for agriculture's involvement in water quality trading.
- I am particularly excited to be here because I believe that conservation trading is a very important part of the future of conservation – both for agriculture and for the environment.

{Theme}

The theme for this conference is “*Implementing Water Quality Trading at the Watershed Scale.*” This conference will examine the fundamentals and

mechanics of water quality trading as well as highlight examples of water quality trading programs.

Water Quality Trading is an innovative and exciting approach to cleaner water. This conference will highlight the economic environmental benefits of trading, explore the opportunities and challenges associated with developing and implementing trading programs, and encourage discussion of the future of trading.

{Water quality info.}

At NRCS, we partner with landowners to conserve, maintain, and improve our natural resources. I want to stress the importance of keeping working farmers and ranchers in mind as we think about how to improve water quality. It is important that we solve environmental challenges through voluntary action – that is based on incentives.

In the emerging field of Nutrient Trading – we are seeing that *market driven approaches to environmental management –ones that provide incentives –* can enhance the options available to reduce nutrient loading.

- Market driven approaches take advantage of the fact that some nutrient sources are easier and less expensive to reduce than others.
- We will more on that topic in today's session.

In NRCS, we believe that a watershed-based approach is key to working with producers, partners and communities in conserving natural resources.

Watersheds provide the context for us to evaluate aquatic habitats and the movement of water, nutrients, sediment, and energy. They are universal, well-defined areas that provide a common basis for discussion of water and related resources.

Pennsylvania has made significant contributions to conserving our Commonwealth and improving water quality.

- Governor Ed Rendell and state agency leaders have made a commitment to put state resources to work to ensure an adequate supply of clean water and to bolster nutrient and sediment trading activities.
- You will hear more today about the Conestoga River Watershed project in eastern Pennsylvania. The Conestoga Watershed is a Nutrient Trading and Reverse Auction project that impacts the Chesapeake Bay and has helped to facilitate the development of state nutrient trading policy.
- In today's sessions, you will learn about the economic environmental benefits of trading and how it can help lower compliance costs.
 - Our speakers will explore the opportunities and challenges associated with developing and implementing trading programs,
 - The concurrent sessions will provide details about many unique projects from across the country and encourage discussion on the future of trading.

Now to introduce our first speaker –

1. Jon Scholl – Agricultural Advisor to the Administrator – US EPA.

2. Merlyn Carlson – Deputy Under Secretary for Natural Resources and Environment – USDA
3. Kathleen McGinty – Pennsylvania Department of Environmental Protection.

SESSION Two

Welcome back – this is the second part to our Plenary Session on “PAVING THE WAY FOR TRADING.”

In our first panel we heard several _____

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In this portion of the program we will hear from

1. Sandy Collins – Associate Chief of Forest Service – USDA
2. Ronda Sandquist – Jackson Kelly PLLC – Colorado
3. Byron Griffith – Director, Gulf of Mexico Program Office, US EPA

Last year alone, NRCS served nearly XXX farmers in Pennsylvania and invested XXX in voluntary, incentive-based conservation. Through our cost-share and assistance programs, we have accomplished much: