

Discussion Session #3: WHAT CAN GOVERNMENT DO TO PROMOTE TRADING?

The comments summarized from the flip charts in this discussion session generally fell into three categories relevant to government's role in promoting trading:

1. *Improve communication.* An overriding comment noted during the discussion session related to the need for government to improve the tools of communication about trading. The group noted that government could provide training and information on trading, and some noted this guidance could be accomplished through the development of case studies. In addition, the group mentioned that aggregators could be used to disseminate technical knowledge throughout the trading community. Further, the audience requested that government research urban and suburban BMPs and subsequently disseminate the information to the trading community. In addition, someone noted that government should assist with determining the certainty of BMP effectiveness. Finally, the group also mentioned the need for simplicity of implementation of trading and effective communication to stakeholders.
2. *Develop Trust.* A commenter noted that trading is built on trust. The group noted the need for continued collaboration with the agricultural community and to identify a mechanism to reach out to the agricultural community. Someone suggested working with parties that have existing relationships with the agricultural community, to expand those relationships. A commenter mentioned the approach of using third parties (e.g., colleges) to build trust among the groups. The audience emphasized that trust is built one relationship at a time. One comment related to property rights – looking at water quality as a public asset, not a property right to be bought or sold. The environmental trust issue was raised by one person, asking if people have the right to pollute water (a side comment was noted also, someone stated that property rights may be more of an issue in the western portion of the country). The discussion of property rights forked in two directions; the second portion of the property rights discussion led to the comment that voluntary trading may resolve property rights issues – if there is a willing seller and a willing buyer, there is no longer an issue of property rights.
3. *Administrative Resources.* The group mentioned the issues of available resources committed to develop trading, funding capacity/cuts (acknowledge there are capacity issues), and the fear of burden by state water programs. On the other hand, a commenter also noted that watershed-based permits may result in administrative efficiency. Finally, a general conceptual comment was made, regarding bringing market-based concepts into agency management (potentially as a means of allocating available resources, to developing trading).