Great Lakes Trading Network

Appendix C
List of Issues Encountered

Chesapeake Bay Program Trading Workgroup Issues Identification
Walden Kerns Original Categories

1. Nonpoint Issues
2. Legal/Regulatory
3. Geographical Concerns and Consistency
4. Community Concerns
5. Analytical Information Needs
6. Valuations (Economics)
7. Mechanisms for Trading

Kerns Refined Categories & Issues

1. Legal/Regulatory
   - Cap definition/assumptions/allocations (driver?)
   - Trading to meet baseline or just beyond baseline?
   - Technology standards versus performance standards
   - Role of TMDLs/ NPDES permits (eliminate flexibility?)
   - Potential impacts of NPS regulations
2. Information/Analytical Needs
   - Inventory of current practices (point & nonpoint)
   - Efficiency of current practices (point & nonpoint)
   - Uncertainty about efficiencies
   - How to monitor/measure reductions
   - Analytical needs
   - Projected future loads
   - Projected ability to treat future loads
3. Geographical/Community Concerns
   - Appropriateness of or need for interstate/interbasin consistency
   - Assimilative capacities of receiving waters
   - Appropriate trading boundaries
   - Local water quality impacts resulting from trades
   - Growth/demographics
   - Treatment of private versus public pollutant sources
4. Economic/Valuation Needs
   - What alternatives are cost-effective?
   - Determining costs versus benefits
   - Valuing secondary benefits
   - Financing mechanism for trades
   - Pricing trades
   - Equity (maintaining “the polluter pays” principal)
5. Institutional/Administrative/Accountability/Enforcement
Maryland Association of Municipal Wastewater Agencies Issues Identification

1. Market Issues
   - Projected demand for credits (market forces)
   - Projected supply of credits
   - How will the market change over time?
   - Pricing of credits
   - Potential for creative trades

2. Allocation Issues
   - How will available reduction measures be allocated between those needed to meet water quality goals and those needed to allow for growth
   - How to insure that trades supplement rather than supplant NPS reductions that should be occurring anyway.
   - How to avoid unfairly making point sources achieve NPS reductions as a condition of growth

3. Management Issues
   - How will the uncertainty of NPS reductions affect trading?
   - What are appropriate geographic boundaries?
   - What are appropriate trading ratios?
   - How will trading opportunities be identified?

4. Other
   - Interstate equity
   - Can trading allow for growth under a loading cap?