



CHESAPEAKE BAY FOUNDATION

Saving a National Treasure

April 27, 2020

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The Honorable Kevin McCarthy
Republican Leader
United States House of Representatives
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The Honorable Mitch McConnell
Majority Leader
United States Senate
Washington DC 20510

The Honorable Charles E. Schumer
Democratic Leader
United States Senate
Washington, DC 20510

Dear Speaker Pelosi, Leader McConnell, Leader McCarthy, and Leader Schumer,

In this unprecedented time for our country, I and the entire Chesapeake Bay Foundation want to thank you, your tireless staff members, and the entire Congress for your continued work to help our country weather these difficult times.

We know that you are laser focused on direct aid to our fellow citizens, businesses, hospitals, and states and localities most in need. We're also aware that Congress may soon turn to longer term recovery for the nation's economy including investment in vital infrastructure that can employ thousands of Americans, help the economic revitalization of our cities and towns, and ensure we continue to make progress on restoring the Bay.

CBF is a 501(c)(3) non-profit organization, founded in 1967. The organization's mission – carried out from offices in Maryland, Virginia, Pennsylvania and the District of Columbia and with the support of more than 300,000 members – is to restore and protect the ecological health of the Chesapeake Bay, the nation's largest and one of its most vital estuaries. This work is focused on limiting the amount of pollution in our waterways as laid out by the Chesapeake Clean Water Blueprint.

Along with being an ecological national treasure, the Chesapeake Bay is an economic driver for the entire region. Improved water infrastructure, support for vital Bay businesses like shellfish growers, and continued commitment to programs that have shown success all help the Bay and the people who rely on it.

To that effect, we respectfully request you consider the following programs in any future stimulus related packages as these programs have direct benefits to the Bay and the economic drivers that support the watershed.

Clean Water State Revolving Fund

The Clean Water State Revolving Fund is the main source of financing for wastewater municipalities across the nation including in the Chesapeake Bay watershed. Recent improvements in the Bay and the rivers and streams that feed into it have been driven in large part by upgrades in municipal water treatment facilities throughout the watershed.

Investing in the Clean Water SRF will improve water quality and protect human health in our region and across the nation.

The Chesapeake Bay Foundation **supports H.R. 1497, the Water Quality Protection and Job Creation Act** to reauthorize the Clean Water State Revolving Loan program. However, while reauthorizing this program is important, we all know that the current crisis requires more immediate action to support our economy and our communities. That's why CBF **fully supports funding the Clean Water SRF at \$40 billion over the next five years** and including a significant amount of that money in stimulus legislation.

We also strongly **support targeting 20 percent of the Clean Water SRF funds for green infrastructure** and innovative projects including those to manage stormwater pollution. These projects help communities improve water quality while creating green space, mitigating flooding, and enhancing air quality. In addition, the federal government should accompany these funds with federal technical assistance to help states raise awareness of green infrastructure's benefits and build demand for green projects.

Finally, **we support the effort to direct States to provide a minimum of 10 percent** (and a maximum 30 percent) of their annual Clean Water SRF assistance in the form of subsidies to communities with affordability concerns to ensure the affordability of wastewater services to households that may have difficulty making ends meet.

Clean Water Act Section 319 Funding

Non-point source pollution from farms and agriculture operations is a big source of pollution into the rivers, streams, and waterways that feed into the Bay especially in Pennsylvania. States, counties, and NGOs use this program to work with landowners to manage non-point source pollution, including nutrients and sediment.

Of the six states and Washington, DC that comprise the Bay watershed, Pennsylvania is the furthest from meeting the necessary pollution reduction targets in the Chesapeake Clean Water Blueprint. Continued federal investment through Section 319 is vital if we are to have a chance at meeting the 2025 Blueprint goals.

CBF supports the bipartisan **H.R. 1331, Local Water Protection Act of 2019 Improvement Act** passed by the House and supports **including the authorized \$200 million for fiscal year 2021 in the stimulus bill.**

EPA Chesapeake Bay Program & Bay Program Project Funds

CBF is very supportive of the Chesapeake Bay Program reauthorization bills that have passed both the House and the Senate and would be supportive of including the legislation in this bill.

However, with our shared focus on immediate impact **we're proposing \$44 million for two grant programs – the Chesapeake Bay Small Watershed Grants and the Innovative Nutrient and Sediment Removal Grants – to be included in stimulus legislation.** The former program awards grants ranging from \$20,000 to \$200,000 to organizations and local governments in support of restoration actions that help restore local waters and habitats. The latter program awards grants between \$200,000 to \$1 million to support efforts that dramatically reduce nutrient and sediment

runoff into local waterways and the Bay. Both of these programs are matched with non-EPA funds and in the past three years \$32 million in EPA funding has been leveraged with \$77 million in non-EPA matching funds.

The FY2020 omnibus spending bill directed EPA to provide \$18 million to these two grant programs, which is a valuable and important investment. However, there is currently \$44 million in requested funding for projects that can't be met. Providing an infusion of this amount will put people to work on these projects – local farmers, non-profit organizations, local and state governments – and protect and restore clean and safe water throughout the Chesapeake Bay watershed. Additionally, we request Congress **allow EPA to waive the cost-share requirement due to economic hardship** since many partners may be unable to provide the match given the current economic situation. This will ensure the projects begin as soon as possible.

Agriculture and Conservation

Providing aid to America's farmers is a top priority for everyone during this pandemic. Agriculture plays a huge role in both the economy and the nutrient flows of the Bay watershed. There are some 83,000 farms in the Chesapeake Bay watershed comprising nearly 30% of the 64,000 square-mile region. And as noted previously, non-point source pollution from agriculture is a big source of pollution into the waterways that feed into the Bay.

As you are considering ways to aid farmers, including purchasing options, **we encourage you to consider the small farms** – many of which dot the landscape of south-central Pennsylvania. For example, dairies with 1000 head of cattle or less are subject to greater risk of an economic downturn and should be prioritized. **Additionally, direct payments should work through existing farmer cooperatives** to ensure farmers who may be missed by the Farm Service Agency receive necessary support.

The next stimulus package could also benefit both farmers and water quality **by linking direct payments to implementing agricultural conservation measures**. Given the downturn in state economies and the financial pressures under which farmers are now operating **we urge Congress to provide for upfront payments for the implementation of conservation measures targeted at small farms**. This would help farmers survive these difficult economic times and improve the health and resiliency of their farms. Farmers who are already in compliance with regulatory requirements should not be penalized, however, and options for direct payments must also be made available to them.

Additionally, many of the Farm Bill conservation programs have deadlines that require the federal money to be spent by the end of the fiscal year. **We request that you include language in the legislation to lift the end of fiscal year 2020 requirement for spending conservation program funding** since much of this work has stalled due to the pandemic.

Oyster Restoration and Aquaculture

Nearly 70 percent of all seafood consumed in the United States is consumed at restaurants and hospitality venues. These markets are now closed to Chesapeake oyster businesses, many of which are small and family owned, at the very time when the harvest and majority of sales typically happen. A recent survey of impacts to the aquaculture industry indicated that 84 percent of

businesses have already experienced sales losses and 64 percent expect their businesses to close by June 2020 without external intervention.

However, Chesapeake Bay shellfish aquaculture businesses may not be able to access existing aid programs. Therefore, we encourage Congress to **increase funding for fisheries and shellfish aquaculture disaster relief**. The \$300 million Fishery Disaster Assistance included in the CARES Act is for both wild harvest fisheries and aquaculture. However, given the size of the American seafood industry and the size of the industry in the Chesapeake Bay – more than \$4.6 billion in economic impact and more than 30,000 jobs – as well as the severity of the pandemic's impact on the industry we believe additional relief funding will be necessary to provide meaningful support and prevent business closures.

It is also important that Chesapeake Bay businesses can access relief funds. We're concerned that because both 2018 and 2019 were extremely challenging years for shellfish aquaculture operators in the Chesapeake Bay, they won't be able to show the required 35% economic loss from 2019 to 2020. 2018 saw record rainfall, which caused slow growth and delayed harvest of oysters for up to a year. The effects of this rainfall event extended into 2019, impacting oyster hatcheries and severely reducing the availability of oyster larvae for aquaculture production. Because of this, many Chesapeake Bay operators were already operating at a loss and may not be able to demonstrate the level of economic loss necessary to qualify for relief funding. **We ask you to work with NOAA to ensure shellfish aquaculture businesses, including those in the Bay region, are capable of accessing these critical funds.**

This is the worst time of year for growers to be unable to harvest and sell their oysters. Growers are not harvesting their market-ready oysters, nor can they make room to plant seed oysters for next year's harvest. This is likely to have ripple effects on the industry for several years unless growers are able to restart some semblance of normal practices. We request **Congress direct USDA to create a short-term purchasing program through the USDA**, similar to the authority USDA has to purchase commodity food products and specialty crops. The oysters can be purchased and processed to create a more shelf-stable product that could then be distributed to enhance food security throughout the country.

Thank you for your continued commitment to helping America and the American people during these difficult times. We look forward to working with you to include as many of these ideas as possible in the next round of stimulus legislation.

Sincerely,

A handwritten signature in black ink, appearing to read 'W. C. Baker', written in a cursive style.

William C. Baker
President