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Date: 07/11/2012 10:51 AM
Subject: draft Sector Growth Demonstration Principals

Good Morning Everyone,

Attached please find a draft set of "Sector Growth Principals" that EPA Region 3 believes can be used to respond to EPA's 2/17/12 Assessment of all the Jurisdictions' Trading and Offset programs, specifically the Assessments' Tier I expectation as follows:

"Appendix S of the Chesapeake Bay TMDL expects pollutant loads from new or increased discharges to be offset in the event that the jurisdiction did not set aside allocations for new growth. The Jurisdictions' final Phase I WIPs did not include an allocation for new growth.

If offset programs are not put in place to manage new sector growth, EPA expects a quantitative demonstration from those jurisdictions as to why those sectors either are not growing or do not contribute new or increased pollutant loads even though they are growing. This numeric demonstration should be based on recent historical trends and be consistent with the suite of Bay models and their underlying assumptions."

Your comments and suggestions would be appreciated regarding the draft demonstration principals attached, particularly the data sources identified for trend analysis. EPA would like to finalize this by August 1, 2012 and begin working with each jurisdiction as it prepares its assessment response. The purpose of this demonstration will be to document the status of each jurisdictions' offset program relative to new load generation and the offsetting of that new load, thus maintaining the TMDL WLA and LA caps. EPA expects that this demonstration from each jurisdiction to be finalized by December 31, 2012. EPA appreciates the work you have done thus far in addressing this expectation and looks forward to working with each of you as you prepare your demonstration response. EPA will be keeping interested stakeholders informed as we move forward with you in addressing this expectation.

Please feel free to contact me if you have any questions or need additional information.

Pat