



STATE OF WASHINGTON
DEPARTMENT OF ECOLOGY

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February 28, 2012

Mr. David White, Chief
Department of Agriculture, Natural Resources Conservation Service
Conservation Innovations Grant Program
PO Box 2890
Washington, D.C. 20013-2890

RE: Washington State Department of Ecology Support for the Conservation Innovation Grant Proposal: *Multi-State Regulatory Agency Guidance for Water Quality Trading: State Agencies Building Shared Trading Policies & Tools for the Pacific Northwest and Beyond*

Dear Chief White:

The Washington State Department of Ecology (Ecology) strongly supports the Conservation Innovation Grant (CIG) Proposal referenced above, submitted by the Willamette Partnership, with cooperation from the Oregon Department of Environmental Quality, Idaho Department of Environmental Quality, U.S. Environmental Protection Agency-Region 10, The Freshwater Trust and the Washington State Department of Ecology.

Ecology supports the concept of water quality trading when it can be implemented to meet the requirements of the Clean Water Act and State Water Quality Standards. In anticipation of potential trading in Washington, Ecology issued a Water Quality Trading Framework in 2010.

To date, there have been no actual water quality trades in Washington. However, we believe that many point source dischargers may wish to trade in the future in order to pursue more innovative approaches to meeting water quality standards, and/or as the costs to meet the effluent limits in their discharge permits continue to increase.

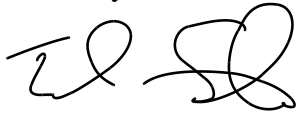
This CIG Proposal will help create the consistent quality standards, transaction procedures and common accounting infrastructure that are necessary if a water quality market is to work effectively. At the same time that it fosters market consistency, this proposal acknowledges that each state will have state-specific requirements for trading, and responsibility for developing those requirements resides with each state.

Mr. David White
February 28, 2012
Page 2

With funds from this grant award, I am committed to designating appropriate agency staff to work with Oregon, Idaho and the Environmental Protection Agency to develop an agreed-upon, standard approach.

I encourage you to support funding of this grant to develop an aligned, consistent water quality trading market system for the region, which may also serve as a model for other regions in the country.

Sincerely,

A handwritten signature in black ink, appearing to read 'Ted Sturdevant', with a stylized flourish at the end.

Ted Sturdevant
Director

cc: Alan Henning , EPA
Christine Psyk, EPA
Claire Schary, EPA
Paula Van Hagan – EPA
Barry Burnell, Idaho Department of Environmental Quality
Ranei Nomura, Oregon Department of Environmental Quality
Greg Aldrich, Oregon Department of Environment Quality
Helen Bresler, Ecology, Water Quality Program
Kelly Susewind – Ecology, Water Quality Program Manager