

# Priority Actions for Advancing Water Quality Trading: National Network on Water Quality Dialogue



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The National Network on Water Quality Trading (“Network”) published a report titled:

*Breaking Down Barriers: Priority Actions for Advancing Water Quality Trading (October 2018) (“Report”)*

The Network describes itself as a “dialogue among diverse organizations representing agriculture, wastewater utilities, environmental groups, regulatory agencies, and the practitioners delivering water quality trading programs.”

The Network’s water quality trading Steering Committee includes:

- American Farmland Trust
- Association of Clean Water Administrators
- Electric Power Research Institute
- Environmental Incentives
- Kieser & Associates, LLC
- Maryland Department of Agriculture
- National Association of Clean Water Agencies
- National Milk Producers Federation
- The Freshwater Trust
- The Ohio Farm Bureau Federation
- Troutman Sanders
- Willamette Partnership
- World Resources Institute

The United States Department of Agriculture is identified as a technical advisor and United States Environmental Protection Agency as an observer.

Water quality trading allows facilities to discharge wastewater to a waterbody to meet regulatory obligations by purchasing equivalent or larger pollution reductions from another source such as unregulated non-point sources. The rationale for such trading is based on the fact that dischargers in a watershed can face very different costs to control the same pollutant. Trading programs in theory allow facilities facing higher pollution costs to meet their regulatory obligations by purchasing environmentally equivalent (or superior) pollution reduction from another source at lower costs, thus achieving the same water quality improvement at a lower cost.

The purpose of the Network is characterized as establishment of a national dialogue on how water quality trading can best contribute to achieving clean water goals. Objectives include providing options and recommendations to improve consistency, innovation, and integrity on water quality trading.

The Network's action agenda identifies the following objectives in regard to water quality trading:

1. Simplify water quality trading program design and application.
2. Ensure state regulatory agencies have adequate capacity and resources to engage on water quality trading.
3. Clarify each administration's and the U.S. Environmental Protection Agency's position on water quality trading.
4. Actively address real and perceived risks for buyers.
5. Identify and address risks of litigation.
6. Create guidance on trading for stormwater.
7. Build stakeholder relationships and trust.

The *Report* discusses under the topic "water quality trading demand assessment":

- Stakeholder Interviews
- Lessons Learned on Demand: Demand Dynamics of Environmental Markets in the United States
- Water Quality Trading Decision – Making Roles and Processes
- Geography on Demand

A copy of the *Report* can be found [here](#).