



IOWA CHAPTER

Nutrient Credit Trading

Iowans expect the water they drink and consume and where they recreate is clean.

Excess nitrogen and phosphorus, which are also called nutrients¹, lead to the growth of algae². Iowa's water bodies change to a green color from these microscopic plants, leading to a reduced level of oxygen in the water. Hypoxia, or the "dead zone," is an area so depleted of oxygen that fish, mussels and other animals cannot survive in the water. The nutrients and algae can also result in foul-smelling surface water and bad-tasting drinking water.

Nutrient credit trading is a proposed solution for reducing nutrients in Iowa's streams, rivers and lakes. This solution would involve state government issuing credits to each entity such as industries and sewage treatment plants that discharges nutrients. The nutrient credit trading would also include farms as a discharger of nutrients. The entities that installed nutrient reduction technology and are doing well in reducing nutrients would be allowed to sell their credits to entities that are unwilling or unable to reduce their nutrient discharges. Supporters believe that over time the number of credits issued would be reduced, their thinking being that the credits will become so expensive that dischargers voluntarily install nutrient reduction technology.

The Iowa Chapter of Sierra Club rejects this rationale and opposes nutrient credit trading.

Credit trading has been applied to reduce some air pollutants. Trading air pollution credits is more feasible since the air and air pollution is universally dispersed. Water pollution is unlike air pollution. Water remains in a finite location within a well-defined watershed.

Initiation of any nutrient credit trading program must require full public notice, disclosure, participation, oversight, accountability and verification, along with effective enforcement with rights of appeal for affected citizens and administrative and judicial remedies. Such a program simply creates an expensive and needless bureaucracy.

Entities with the financial resources and the will to reduce nutrient pollution can profit from selling credits. Rather than all polluters reducing nutrients, a nutrient credit trading program will allow some dischargers to avoid upgrading pollution control equipment and continue contributing nutrients to our state's waters while absorbing the cost of the credit as part of doing business.

Without an aggressive program that significantly reduces the number of credits being issued, very few tools will exist to require all dischargers to clean up their act. In those water bodies where a significant number of entities install nutrient pollution control equipment, the water bodies will become cleaner while others will not.

Trading pollution from one polluter to another does nothing to keep our water clean. Iowans expect more from their leaders and decision makers.

¹ "Hypoxia and Nutrient Reduction Zone: Advice for Prevention, Remediation and Research", Scientific and Advisory Panel of the Global Environment Facility, September, 2011, page 1

² In addition to nitrogen and phosphorus, silicon and organic matter are also nutrients.