



Fiscal Year 2007 Annual Report





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**Brad Heavner
State Director**

From the director

At Environment Maryland, we always strive to focus our efforts according to carefully crafted plans. We research problems, read the political landscape, determine the best strategy and prepare a timeline of specific tactics.

This year, the first year of a four-year electoral cycle, we have spent a lot of time making plans. In some policy areas the path has been clear, while for others, we have taken great amounts of time preparing the roadmap.

On the issue of global warming, after taking the first steps on power plants and vehicles with the Healthy Air Act and the Clean Cars Act, we decided it was time to promote a statewide cap on greenhouse gas emissions across the board. We got the Global Warming Solutions Act introduced, which helped convince Gov. O’Malley to create a commission to look at the same policy. Over the next year, we will be working with the commission and will then help implement its top recommendations.

On land preservation, the road has been less clear. It has been ten years since the last full-scale evaluation of Maryland’s growth policies. There is a sense that it is time for a comprehensive package of reforms, but it takes a lot of effort to gear up for that.

At times, it is laborious work going through meeting after meeting with leaders of different interests in this arena. But groundwork leading up to a major campaign is necessary, since truly strong reforms will meet with intense opposition from special interests pushing the misconception that all growth is good.

To restore the Chesapeake Bay, we have worked to get some first-step policies in place in the final years of a multi-state agreement. We won a good bill to reduce runoff pollution from cities and suburbs and have made progress in establishing funding for reductions in farmland runoff.

Once that’s done, we’ll need to turn our attention to creating a new plan for the whole Bay. We are on course to fall well short of the pollution reduction limits for 2010 enforced by the U.S. EPA, so we are looking to create a whole new legal regime for water pollution in the coming years.

Thank you for being part of our work. Together we are making a big difference.

Sincerely,

Years of work pay off to bring cleaner cars to Maryland

The Maryland General Assembly passed the Clean Cars Act in this year's legislative session. Gov. O'Malley helped pass the bill and signed it into law on March 14.

This has been a long battle. Environment Maryland worked on this legislation for the past four years. We spearheaded the introduction of the bill, pushed it close to passage in 2005, then helped build the coalition of groups that was ultimately able to generate enough support to win. Throughout the process, we released five research reports, coordinated thirteen hearings and press conferences, and facilitated thousands of comments from constituents in key legislative districts.

Cutting pollution

The Clean Cars Act will reduce global warming pollution in Maryland by 4.4 million tons per year by 2016. It will also reduce smog-forming pollution by 3,600 tons per year and cancer-causing pollution by 100 tons per year by 2025.

Maryland now joins 11 other states, amounting to one-third of the U.S. auto market, that have adopted the Clean Cars Program. The program adds carbon dioxide, the primary

cause of global warming, to the list of pollutants that are covered by vehicle emission standards. It also strengthens the standards for other pollutants and requires that a percentage of new cars sold each year be advanced-technology vehicles such as hybrids.

States wait on federal approval

The Clean Cars Act will have its intended effect only if the EPA allows states to implement the law.

Under federal law, states can issue updated standards only if they get a "waiver" from the EPA. In previous revisions of the standards, this has been a pro forma procedure. This time, however, the EPA has indicated intentions to disallow the revision.

The auto industry has fought these common-sense solutions every step of the way. They are now lobbying the EPA to deny the states the approval needed to implement these much needed solutions.

Environment Maryland testified at a national hearing, got local officials to speak out, and has generated hundreds of comments to the EPA.



Technology to reduce emissions from cars and trucks is well proven and will save consumers money, but automakers are still resisting all forms of regulation. Maryland now joins eleven other states in rolling out new rules.

P. 1 Photo credit: Peter Cutts.
P. 2 Photo credits: (Clockwise from top left) Chen Wei Seng*, C. Kurt Holter* and Jose Gil*.



States in the Bay watershed face a 2010 deadline to reduce nitrogen pollution from 286 to 175 million pounds per year.

P. 3 Photo credit: NOAA.
P. 4 Photo credit: Staff.

Making progress toward cleaning up the Chesapeake Bay

Stormwater bill passes

As part of our ongoing work to protect Maryland waterways and the Chesapeake Bay, this session, Environment Maryland took a lead role in helping to pass the Stormwater Management Act of 2007.

This new law will require developers to use low-impact design techniques to minimize runoff. Low-impact design includes reducing pavement and other impermeable surfaces, keeping natural vegetation, and managing the flow of water from a development.

Prior to development, existing vegetation captures the water that runs through the site, absorbing the water and filtering out pollutants. Development often replaces beneficial vegetation with turf grass lawns, impervious roofs and asphalt. Runoff pollution carries dangerous pollutants such as nitrogen, phosphorous, sediment, bacteria, pesticides and metals into the water.

Dedicated funding

Excess nutrients are widely considered to be the biggest problem facing Maryland waterways, creating a dead zone in which nearly all life perishes. The dead zone in the Chesapeake Bay now includes more than one-third of the Bay during most summers.

In 1987, states in the Bay watershed committed to a goal of 40 percent reduction in nutrient pollution, but after nearly two decades we are still far short of our goals. An estimated 286 million pounds of nitrogen now washes into the Chesapeake Bay every year, 63 percent more than the Bay can safely handle.

Farming is a leading source of this runoff, producing about one-third of the nitrogen and phosphorous that runs into the Bay each year. Cost-effective strategies to reduce this pollution are well documented, but farmers operating on tight margins often cannot afford to implement them without outside funding.

Planting cover crops, creating grass or forest buffers, building manure storage sheds, and fencing off stream crossings are all simple ways to make a big difference in a farm's runoff.

A major effort this past year centered around creating a dedicated source of new funding for efforts to reduce pollution into the Bay.

The Chesapeake Bay Green Fund gained the support of leading environmental organizations. The proposal would create a fee on development that would pay for pollution reduction practices.

Reducing overfishing

Whales, dolphins, sea turtles, various fish species and other animals in America's oceans are in danger. One-third of our fish species are already depleted or headed in that direction.

Destructive overfishing is compounding these problems. Huge industrial fishing nets scoop up fish faster than they can reproduce. Fishing lines, which can be tens of miles long, unintentionally catch sea turtles, sea birds and porpoises.

Last year, Congress passed legislation to safeguard our oceans, calling for limits on fishing based on what scientists say can safely occur without harming the oceans' ecosystems. It called for full and open environmental reviews of the decisions that fishery managers make.

The National Marine Fisheries Service (NMFS) has begun the process of developing regulations to implement the new law. Environment Maryland is meeting with organizations throughout the state to get them involved in that process, urging the NMFS to create strong rules that are based on science and are well enforced.

► *Shoreline of the Chesapeake Bay at Elk Neck State Park.*





Environment Maryland State Director Brad Heavner thanked Gov. O'Malley when he created the Commission on Climate Change. Maryland is extremely vulnerable to global warming, but can also benefit from clean energy strategies.

P. 5 Photo credits: (Clockwise from top left) Karl Glazebrook, Office of Gov. Martin O'Malley and Cisel Freliance Corp.

Pushing the state to take action on global warming

Bill will put Maryland at the forefront

Environment Maryland and our allies introduced the Global Warming Solutions Act during this year's legislative session. The bill would commit the state to science-based reductions in global warming pollution.

Scientists tell us we need to reduce emissions 20 percent by 2020 and 80 percent by 2050 to avoid the worst impacts of global warming. This bill would create a binding commitment to those reductions and establish a timeline for designing measures to meet that commitment.

The bill quickly became one of the hottest environmental topics in Annapolis. Environment Maryland helped line up dozens of experts to testify at hearings, including scientists from NASA, the National Research Council and leading universities. We called on citizens from across the state to voice their support, and we educated legislators on the benefits of the policy.

As expected, the bill did not come to a vote in its first year, but we were successful in building the legislative record and putting the bill on course to be a major priority next year.

State commission gets underway

In April, Gov. O'Malley signed an

executive order creating the Maryland Commission on Climate Change. The commission met over the summer to decide on actions to address global warming in the state, and is also charged with creating a roadmap for Maryland's commitments and actions on global warming.

Environment Maryland State Director Brad Heavner was appointed to the commission workgroup that will create a detailed plan to reduce global warming pollution.

In addition to participating from within, Environment Maryland organized grassroots support for action. We generated more than 8,000 comments from Marylanders, urging the governor and the commission to commit to science-based pollution reductions. We helped form the Alliance for Global Warming Solutions, which now includes dozens of environmental, business, health and faith-based groups.

Maryland signs regional agreement

The Healthy Air Act, which Environment Maryland took a lead role in passing in 2006, included a provision that Maryland join a multi-state agreement known as the Regional Greenhouse Gas Initiative. The agreement creates a program to reduce global warming pollution from coal-fired

power plants throughout the Mid-Atlantic and Northeastern regions of the United States.

Environment Maryland worked with the governor's administration to negotiate Maryland's entry into the program, and Gov. O'Malley signed the agreement on April 20. Since then, we have been helping the state develop regulations to institute the program, pressing them to use the program to establish a strong funding mechanism for clean energy projects.

Building toward federal policy

Ultimately, state policy on global warming is geared toward winning national legislation. Since the Bush

administration has done more to hold back progress on this issue than move forward, we have focused on getting policies on the books here in Maryland.

As we do that, however, we are also building momentum for federal policy. Both of Maryland's U.S. senators and four of our eight representatives are co-sponsors of the federal version of the Global Warming Solutions Act. Co-sponsorship in the House grew from 113 in 2005 to 141 in 2007, and four comprehensive bills have been introduced in the Senate. A flurry of hearings on Capitol Hill is setting the stage for votes on strong bills with real chances of passage.



A Blueprint for Action: Policy Options to Reduce Maryland's Contribution to Global Warming

As the Commission on Climate Change was getting underway, Environment Maryland released a report demonstrating that committing to science-based reductions is entirely feasible. "A Blueprint for Action: Policy Options to Reduce Maryland's Contribution to Global Warming" models the impact of policies to address global warming. Four policies the state has already taken and nine new policies would reduce global warming pollution in Maryland 23 percent by 2020.

The Healthy Air Act, the Clean Cars Act and other recent legislation account for about one-third of the pollution reduction we need to address global warming. New policies needed include a requirement that more of the state's electricity come from renewable energy sources, better building codes, policies to shift our gasoline mix toward cleaner fuels, and programs to reduce sprawling development and stimulate construction patterns that depend less on driving.

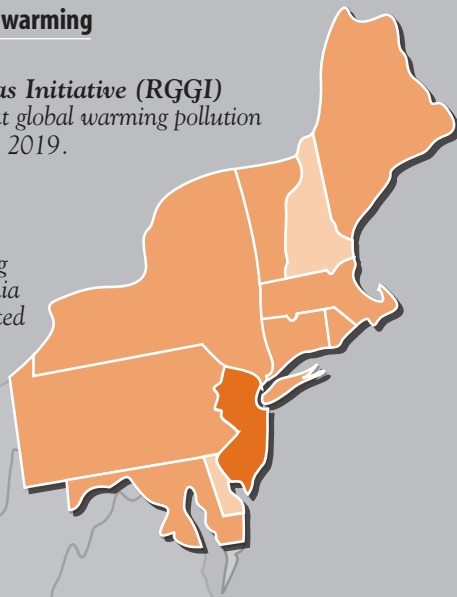
▷ *To read the full report and learn more about what steps Maryland still needs to take to address global warming, visit our Web site.*

A regional view of action on global warming

▷ **The Regional Greenhouse Gas Initiative (RGGI)**
These states have promised to cut global warming pollution from power plants 10 percent by 2019.

▷ **Cleaner cars**
These states have also passed standards to limit global warming emissions from cars. Pennsylvania did not join RGGI but has adopted the Clean Cars Program.

▷ **Setting the bar**
In 2007, New Jersey passed the strongest global warming bill to date—setting global warming pollution reduction goals of 80 percent by 2050.





Concerns about the impacts of growth have never been more urgent for Maryland, with the military base realignment projected to bring 48,000 families to the state.

P. 7 Photo credits: (Clockwise from top) Staff, Bywaters, Kevin Steele.
P. 8 Photo credit: Eric Gevaert*.

Promoting smart growth and protecting valuable natural areas

Maryland is losing land to development at an alarming rate. In 2003 and 2004, counties approved 90,000 new building permits across the state. As a result, Maryland loses almost 14,000 acres to development each year—an area the size of Manhattan.

Sprawling development

Earlier this year, Environment Maryland Research & Policy Center released a report, “Our Natural Heritage at Risk: Threats Facing Seven of Maryland’s Most Special Places.” The report analyzed the environmental importance of land conservation, highlighting seven places across Maryland that provide important ecological functions.

The places included the Prettyboy Reservoir Watershed in northern Carroll and Baltimore Counties, Terrapin Run in Garrett County, Asawoman Bay in Worcester County, farmland in Cecil County, the Blackwater National Wildlife Refuge in Dorchester County, the Annapolis Neck in Anne Arundel County and the Patuxent River Rural Legacy Area in Prince George’s County.

The report found that the environmental benefits of preserving open space far outweigh the financial costs of land conservation and smarter growth. Maryland must ensure that

funds dedicated to conservation are not diverted in times of fiscal pressure. And the state must also prepare for the coming population growth by acting now to plan and accommodate for new development.

Developing smarter policies

Maryland has a history of innovative policy in growth management. After the passage of our landmark Smart Growth initiative of 1997, Maryland became known as a leading state on the issue.

The results of that legislation, however, have been disappointing. Despite the law, more land gets developed outside of priority growth areas than within them. The state has never cracked the whip on local governments that do little to rein in sprawl, and our development continues to trend toward low-density, car-dependent patterns.

Environment Maryland has held many meetings in the past year with policy makers, community activists and developers to formulate policies that will make these development patterns more sustainable.

We are getting community advocates to band together as a statewide network and are working with the O’Malley administration to craft

growth management policies that will truly achieve the goals of the Smart Growth law of ten years ago.

Land preservation funding

While promoting good development practices, it is also essential to preserve the most valuable natural areas outright.

Maryland's nationally recognized land conservation program—centered around Program Open Space—uses a tax on real estate sales to buy the development rights for important properties throughout the state. Each year, however, the pot of funding is under threat from being diverted to unrelated purposes.

Environment Maryland continues to participate actively in the Partners for Open Space coalition which strives to prevent funding diversions and increase funds to preserve forests, fields and farmland. This year, we were successful in keeping all of the money in the program. We also worked to close a loophole that allows many corporations to dodge the tax that funds Program Open Space.

► *Maryland has lost a quarter of its farmland over the past 25 years, but 230,000 acres of farmland have been preserved by state programs.*





Environment Maryland helped with local initiatives to clean up pollution in Frederick and Gambrills, and fight a newly proposed liquified natural gas (LNG) facility in Baltimore.

Helping with local initiatives across the state

The primary focus of Environment Maryland is state and national policy. From time to time, however, we are able to provide assistance on local issues. Here are a few highlights from our local campaigns.

Anne Arundel ash dump

For the past twelve years, Constellation Energy has been dumping toxic ash from coal-fired power plants at a former gravel pit in Gambrills. The site was designed without a liner to collect pollution, and within a few years this led to serious groundwater contamination.

We investigated the details of the contamination by analyzing documents obtained through a public information act request. We publicized the information in the media and in public hearings, and shared it with decision makers.

The Maryland Department of the Environment (MDE) has signed a consent decree with the dump operator requiring it to undertake measures to clean up the site. MDE is also drafting new regulations to make sure any future coal ash disposal sites are properly designed.

Sparrows Point

The Sparrows Point neighborhood of Baltimore County has long been home to some of the most polluting

facilities in the region. When AES Corporation proposed to locate a liquified natural gas terminal there, the state created a task force to consider the proposal.

Environment Maryland State Director Brad Heavner was appointed to the task force and helped write its report, which sided against the plant. Since the area is already heavily contaminated, it is not a good location for the dredging and increased water runoff that would be created by the facility. The AES proposal is still on hold.

We have continued to work with the community on other environmental problems, including clean-up agreements that have not been honored.

Frederick incinerator

Severe air pollution, massive water consumption and poor economics have made garbage incineration a technology of the past. Despite this, Frederick County is investigating construction of a new incinerator in the county that would burn waste from around the state. Local activists are leading the charge to convince commissioners to choose recycling over incineration. Environment Maryland has provided assistance in developing campaign plans, reaching out to citizens and communicating with decision makers.

P.9 Photo credits: (Clockwise from top left) Morgue File, Staff, FERC.

Environment Maryland supporters

Citizen support is the cornerstone of Environment Maryland and the Environment Maryland Research and Policy Center. Thousands of Maryland citizens supported Environment Maryland by making membership contributions in fiscal year 2007. The members listed below were particularly generous in backing the organization's research and advocacy. Names that appear in italics denote our monthly supporters. These members provide stability to the organization's resources through our monthly giving program.

Development Committee

Development Committee members supported the organization with contributions of \$500 or more in Fiscal Year 2007.

Stephen Anderson • *Greg Brunette* • Oliver Carr • Richard Gorman • Marc Kahn • Douglas H. Phelps • Cecily Pilzer • Betsy Sherman • Peter Simpson • Dominico Lentini • Stephen Pasqua • Mary Lou Steptoe • Kathryn Wolford

Patrons

Patrons supported the organization with contributions of \$300 to \$499 in Fiscal Year 2007.

Judith & Richard Bell • Hind L. Berrah • *Stephen Brown* • Judy Campbell • Deborah Dawson • *John Dorsey* • Roni Falk • Martha Finnemore • Nana Henderson • *Constance Hickey* • Jean Kouwenhaven • *Robert Niles* • *Sheila O'Connell* • *Erin O'Shea* • *Bruce Redcay* • *Nancy Rizer* • C. E. Rowley • *Robin West* • *Kenneth White*

Sponsors

Sponsors supported the group with contributions of \$200 to \$299 in Fiscal Year 2007.

Sam Behrends • Bonnie Birkel • Kristen Burger • M. Calon • *Susan Carlson* • *David Cary* • Joseph Costa • Rebecca Denison • Hillard Donner • Marion Edey • Thomas

Eichbaum • Lloyd Knowles & Elizabeth Bobo • *Philip English* • *Jose Espino* • Patricia Esposito • Jim Fleming • Carol Fraser • George Frowick • Geneviene Gessert • Victoria Handa • Ann Haybower • John Heyrman • Tom Hicks • John Hisle • *Pauline Horn* • *Jessica Jones* • Sang Kang • *Karen Kaplan* • Lorrie Kaplan • Edward Kimmel • Larry Koss • Daniel Krifcher • Janet Lanman • *David Laroche* • Barbara Leclerc • *Jennifer Lemen* • Noelle Lewis • *Thomas Loveland* • *Andrea Madera* • *Dante Marino* • *Kim McClernon* • Eliza McLeod • Patrick McCaslin • *Allyson McGinty* • Susanna Mudge • Michael Murphy • Eric Notham • *Marieclaire Odell* • *Judith Perez* • Philippe Pradel • Timothy Riddle Kiehl • Jim Ritter • *Monika Schnell* • Steve Shepard • *Andrew Shoyer* • *Thomas Skallerup* • Thomas Smeling • Steve Stoltz • Gary & Freda Temple • John Trone • *Dean Uhler* • *Dale Walker* • Melinda Watson • Richard Wear • Kris Wernstedt

Foundation support

The Environment Maryland Research & Policy Center, a 501(c)(3) organization, conducts research and public education on emerging public interest issues. Contributions to the Environment Maryland Research & Policy Center are tax-deductible.

The following foundations supported the Environment Maryland Research & Policy Center's work in 2007. To find out more, call Brad Heavner at (410) 467-0439.

- Aaron & Lillie Straus Foundation
- Abell Foundation
- Clayton Baker Trust
- Energy Foundation
- Fund for Change
- Henry Fox Trust
- Janelia Foundation
- Keith Campbell Foundation for the Environment
- Jacob & Hilda Blaustein Foundation
- JDRV & ETR Fund via the Philanthropic Collaborative
- Rauch Foundation
- Town Creek Foundation
- Zanyvl & Isabelle Krieger Fund

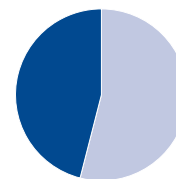
Planned Giving

Please consider including Environment Maryland in your will. Your bequest will ensure our continued work to protect Maryland's air, water and open spaces for future generations. Environment Maryland also welcomes current contributions of personal property and assets. For information, call: 1-800-841-7299, or send an e-mail to PlannedGiving@EnvironmentMaryland.org.

Financial information

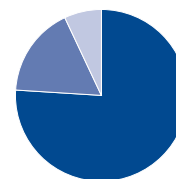
The charts below reflect the combined financial information for Environment Maryland and the Environment Maryland Research & Policy Center.

FY07 Income



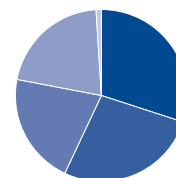
- ◆ Citizen Members 46%
- ◆ Foundation Grants 54%

FY07 Expenses



- ◆ Program 76%
- ◆ Fundraising 17%
- ◆ Administrative 7%

FY07 Program Expenses



- ◆ Clean Air 30%
- ◆ Global Warming 27%
- ◆ Chesapeake Bay 21%
- ◆ Land Preservation 21%
- ◆ Other 1%

Environment Maryland Staff (Partial List)



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**Elizabeth
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Policy Analyst



Josh Bell
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Jon Smeltzer
Citizen Outreach
Director



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