

## CCRWQCB Meeting 3/14/2012 Comments on the Staff Report

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### Three Cost Studies – Not Easily Comparable

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- Appendix F in the Waiver document
  - Done by staff
  - Not systematic
- Barbeau & Mercer
  - Based on the March 2011 (17) Waiver document
  - Assessed Monitoring, Reporting, Planning and “required” management practices
  - Ag Waiver is a moving target
    - Changes made to Waiver on May 4 coincided with our interview timeframe.
- Ag Alternative
  - Also a moving target

**The purpose of our cost estimates was to give growers an estimate of the costs of the proposed Ag Waiver and the Ag Alternative**

**Exercise caution in comparing these cost estimates – they were not designed to be comparable or competing**

## The Barbeau/Mercer Study

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- Estimating the cost of *compliance*, not of management practice implementation
  - Monitoring Costs
  - Reporting Costs
  - Planning Costs
  - Costs associated with Labor and consultants
  - Practice implementation costs where mandated or where required to attain compliance

## Uncertainty in Cost Estimates Due to Ambiguity in the Regulations

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- Moving Target
- Tiering was in flux and difficult to interpret
- Interpretation of the requirements is challenging

This ambiguity continues to exist and can be expected to create questions as growers attempt to implement the regulations

## Responsible Regulation Requires a Complete Economic Impact Report

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- Costs and Losses
  - Cost to Growers
    - Planning
    - Monitoring and Reporting
    - Implementation of Management Practices
    - Expertise (i.e. consultants)
    - Additional Labor (for sampling, collecting data, collating data and generating reports)
  - Cost to Taxpayers
    - Maintaining the board and staff
    - Monitoring and Enforcement
  - Indirect and Induced Impacts
    - Impact on related industries
    - Secondary impact of lost buying power and tax revenue

## Responsible Regulation Requires a Complete Economic Impact Report

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- Gains and Benefits
  - Efficiency gains to growers
  - Reduced cost of pollution
  - Improved ecosystem services

## Conclusion:

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- The Barbeau/Mercer cost study is by no means a complete economic analysis, but it does contain useful information
- It should be viewed as additional information to help improve the overall results of the program
- Win/Lose approach will guarantee a suboptimal non-cooperative solution