

**Annex 2001 Media Briefing
The Nature Conservancy
July 19, 2004
03:00 p.m. ET
Host: Genie Lester**

This transcript was created by Genesys Conferencing from a taping of the media briefing.

Operator: Good day ladies and gentleman. Welcome to The Nature Conservancy, Great Lakes United and National Wildlife Federation's Annex 2001 Media Briefing. At this time all participants are in a listen only mode. Later, we will conduct a question and answer session, and instructions will follow at that time. If anyone should require assistance during the conference please press "*" and "0" on your touch-tone telephone. As a reminder this conference call is being recorded. I would now like to introduce your host for today's conference, Ms. Genie Lester with The Nature Conservancy. Ms. Lester you may begin your conference.

Genie Lester: Thank you (Hylee). Good afternoon as (Hylee) mentioned my name is Genie Lester. I am the Senior Media Relations Manager for The Nature Conservancy's Great Lakes Program. We would like to thank you for joining us and today for the media briefing.

The purpose of this call is to share with you background information on the draft agreement to implement the Great Lakes Charter Annex 2001 that was released earlier today. And to share with you, issues of common concern that several of the environmental and conservation organization share. The Nature Conservancy has been engaged in developing new water policy for the Great Lakes and has primarily served as a science resource focusing on the implications of the new standards for Great Lakes ecosystem help. But because of the importance of this complicated issue we took this opportunity to share information between our organizations - The Nature Conservancy, the National Wildlife Federation and Great Lakes United - with you, the media.

Before we begin, I would like to share a just a couple of logistics with you. As (Hylee) said, the first half hour of the call will consist of sharing of information by a panel of the organization followed by a second half hour or 45 minutes whatever is needed by you, the media for questions to the panel. And then following the panel presentations we will let you know how to get in touch with us. If you would like any more information you can feel free to contact me.

You can do that either by phone and you should have my numbers and my e-mail address from the messages that were sent to you. My e-mail address is glester – glester@tnc.org and you can also gain up to – up-to-the-minute or accurate information about what's happening with the Annex at www.speakongreatlakes.org. I would now like to turn the call over to Reg Gilbert, the Senior Coordinator with the Great Lakes United. Reg.

Reg Gilbert: Thanks a lot Genie. As Genie said my name is Reg Gilbert, that's R-E-G G-I-L-B-E-R-T. I am Senior Coordinator with Great Lakes United which is a coalition of a 170 environmental conservation labor and community organizations in the United States, Canada and First Nations.

As Genie said – the 10 groups that have been working consistently on this for the last several years are – are contributing information now and on a regular basis for the next 90 days on the website www.speakongreatlakes.org. There's information there now and it will be updated – hourly for the next couple of days and on a regularly basis thereafter with any new information, hearings, documents that we create or come into possession of. I am going to give some background on the – on the need for the reform that the Governments premiers have initiated on the documents that they

have released today. And then we have – three other speakers to talk about the documents themselves and I will introduce them as they go and I will start now talking about the background on the need.

Our region, as I am sure everyone in the call knows has a tremendous amount of water, six quadrillion gallons in the Great Lakes and a – a very large amount of water in the ground – water that feeds the Great Lakes and in the rivers extreme that feed the Great Lakes. We are subject it – it seems the scientists have concluded to climate change, it's already begun, it will probably result in lowered levels in the Great Lakes. We are seeing across the continent changes in the way water is – is being supplied where it's falling, where it's going and there are – shortages of water across the continent especially in the US South and Southwest. We are also seeing national political change in the – in the United States so that if those shortages would result in – request or – or demands for water supplies from distant places, the change in representation on the national level in the United States might facilitate that. In the last census 12 seats and the House of Representatives changed States, 9 of them left the Great Lakes, 7 went to water short States. That's the trend that – there is no reason to think will continue for more census changes.

There is also been a regular increase over the last two decades in the power of trade agreements – in their scope what services they include – current round is – is considering addressing water services and their power to enforce decisions has also increased. And finally probably because of spread of population and increased prosperity over the last decades we are starting to see local water shortages in the region – conflicts between agricultural users, municipalities and – and home owners over supplies and local areas.

So for all these reasons the Governors and Premiers and the environmental community definitely saw a need for a reform of Great Lakes-St. Lawrence Basin water management procedures and 5 years ago negotiations between the 8 States and 2 Provinces with advise for environmentalist and all the stake holders more or less began. So I now move to the background of the documents that have released today. The initiative got it's start with a – with – with an export proposal in 1998 from Lake Superior – a small group managed to secure a permit from Province Ontario to export water. This caused significant public concern and when the Ontario government moved to cancel it they realized that their legal basis for canceling it was not very strong – which also means that the reasons for denying permit proposal of a similar type might not be strong.

Initially prompted all the governments in the region actually more so in the US States than in the Provinces to – to consider this problem of what is the legal ability of the governments to prevent export and diversion from the region. After – after analyzing they concluded they needed system that was less overly discriminatory and deciding how water was used in the basin. The current system is very little oversight of water users intended for use inside the basin and substantial oversight a right by the US Governors to detail any proposal. Substantial oversight over water use intended for outside the basin and the ten executives decided that they needed a system that would better, that would be more closely aligned with in the long run withstand legal challenge.

In 2001 they promised an agreement within three years, they more or less met that challenge and they presented us today with these agreements. There is two of them. One of them is a – an agreement just between the US States which if approved by Congress would be binding on the States. There wouldn't be able to change the agreement without – without agreeing to do so together and they could – they could sue each other in federal court and in some cases in their own State courts for not living up to the terms of the agreement. That's the first agreement – the compact between the US States.

The second agreement is between all 10 jurisdictions, the 8 States and the 2 Provinces. It's not binding because of the difficulty of achieving binding relations between sovereign nations. But there is a Province – there is a Province – there is a promise by the Provinces to pass into law and there is a – there is a promise among all 10 jurisdictions to attempt to have standards that are consistent across the region.

So that's the background for having the agreements that were released today and of the specific agreements that were posted on the website and available to you now. At this time I would like – I would like to pass the – I like to pass discussion on to Michele DePhilip of The Nature Conservancy to talk about the heart of the agreements, the standards that they would use to judge new proposals for withdrawing water in the basin or for diverting water. Michele?

Michele DePhilip: Thanks Reg. As Reg said, I am Michele DePhilip – Aquatic Ecologist with The Nature Conservancy's Great Lakes Program in Chicago. And I am going to focus on what this agreement means or what these agreement means – these agreement mean and how they could benefit the ecosystems of the Great Lakes. For the first time this agreement puts forward consistent standards for evaluating proposed water withdrawals and these standards are based on environmental criteria and will be applied by all Great Lakes States and Provinces.

In summary every individual water withdrawal above 100,000 gallons per day, must meet 6 standards. 1, there must be no reasonable alternative water source. 2, the quantity withdrawn must be reasonable for it's intended purpose. 3, all water must be returned to the basin after use less an appropriate allowance for water loss during use. 4, there can be no harm to the waters and water dependent natural resources. 5, a water conservation plan or water conservation measures must be implemented. And 6, the withdrawal must be in compliance with all existing laws.

For proposed diversions out of the Great Lake's basin and uses that results in water loss of greater than 5 million gallons per day – proposals must meet a 7 standard, and that is that the project must incorporate an ecological improvement to the system. These standards will be applied to a request to – to withdraw water from any part of the Great Lake system. And this is something that's very important to the nature conservative team in particular. They will apply to proposed withdrawals from the Great Lake's themselves – from headwater stream, from large rivers, from inland lakes and wet lands and from ground water.

And there is 3 aspects in particular of this agreement that have potential to be good for Great Lake's ecosystem. First, the prevention of water loss and this is really two fold. A, the agreement requires water conservation, either a water conservation plan or water conservation measures must accompany each proposed withdraw. One of our concerns is that the agreement doesn't provide specifics on what's required in a conservation plan, and what constitutes sufficient conservation measures and while, this aspect of the agreement is very potentially very powerful, it needs clarity so that the conservation standards indeed do have teeth. B, the agreement prevents water loss to the basin by requiring return flow – and that is all water must be returned to the Great Lakes basin after use.

The agreements also include a second standard that requires there be no significant adverse impact from the withdrawal itself, or from how the water is returned. And this – this standard addresses aspects of water used other than loss and recognizing that ecological harm can come from how water is withdrawn, how it is used, and how it is returned by disrupting patterns of water levels and flows, which are critical for fresh water ecosystem health. A concern here is that the withdrawal size is based – is defined using a 120 day averaging. And, this long averaging period has really no environmental basis and would allow users to withdraw large quantities of water during the driest months when streams and other ecosystems are most vulnerable. This is most likely to effect small

ecosystems that are tributary to the Great Lakes. Water users could do this without meeting any of the standards as long as their average was below a 100,000 gallons per day. And the – we feel that the averaging period needs to be addressed in order to ensure that ecosystems are not harmed by unmanaged withdrawals.

A third important aspect of the new agreement requires that request for water result in an ecosystem improvement. The State and provincial leaders saw the Annex as an opportunity to set up a precedent for environmental policy. They recognize that the majority of our current environmental laws only slow damaged to our ecosystems. And they saw this as an opportunity to raise the bar, and to incrementally improve ecosystem by changing the way we manage water. With the addition of the improvement standard the Governors and Premiers commit themselves to a new concept – we will require ourselves to improve our environment through our responsible use of the ecosystem.

This is really a laudable step forward in our road to restoration of the great lakes. And this agreement is the first example of water policy that links protective use of an ecosystem with the restoration of that same system. Currently our States and Provinces are managing the waters of the great lakes under a patch work of rules and policies, and this new agreement provides an opportunity for clarity and consistency. The foundation has laid for water policy is that could reach a real ecosystem benefit. It's effectiveness depends on whether the States and Provinces make the necessary changes to the draft – adopt it – apply the standards consistently and enforce them.

Reg Gilbert: Bye, Michele. Now I would like to introduce you to Noah Hall, of the National Wildlife Federation – who will talk about the agreement just between the States the compact and specifically the treatment accorded by both documents for diversions.

Noah Hall: Thanks Reg, as Reg said my name is Noah – N-O-A-H Hall, H-A-L-L. I am the Senior Manager for National Wildlife Federation's Great Lake's Water Program based out of Michigan. Thanks to all you guys for calling in and, I know that you are – you are digesting a lot of information here.

I have – had to give lectures on this subject to rooms full of lawyers and – and – and it takes them couple of weeks to absorb it all so – you have your work cut out for you. I am going to just try and explain out 2 – 2 smaller components of everything that you are looking at. As Reg said what the Governors were releasing today were really two separate agreements. One is an international agreement that's not binding which John Jackson is going to speak about in a moment. But in addition to that they are releasing a proposed interstate compact. And an interstate compact is essentially a contract between states that once adopted by all the Signatory States has the full force and effective of state law and then if approved by Congress – Federal law.

The compact that is being proposed called the Great Lakes – the Great Lakes Basin Water Resources Compact would essentially do two things. First is it would set up based on the standards which Michele DePhilip described a system of governing diversions over one million gallons per day in – in-basin consumptive losses of water greater than five millions gallons per day. For diversions over a million gallons per day the voting would be unanimous among all Great Lake States, that means every Great Lake State would have to consent to a diversion over one million gallons per day based on the standards provided. For in-basin uses over five million gallons per day a super majority is required, essentially a six to two vote would be needed to approve one of those large in-basin users.

For smaller withdrawals either in-basin users under five million gallons per day or diversions less than one million gallons per day, the States would have 10 years to put in place a program that uses the same standards as is being used for the large projects and each decision will be left up to the individual state. We are obviously disappointed that the States will have a full 10 years to put in place the standards. It's actually 10 years from the date the agreement is made effective which is

quite likely going to be under a best case scenario – two or three years from now. So in effect – as proposed the States wouldn't actually have to put in place programs, new laws, or management schemes to deal with all the smaller withdrawals for maybe 13 or 14 years.

One of the questions that continually comes up on this issue is why do we need a compact – why do we need additional legal protection against – against Great Lakes water diversions? People often point to federal – the federal veto power provided by the Water Resources Development Act of 1986 WRDA which gives the Governors the ability to – to give a so called veto to any new water diversion. There are some problems with that authority though and those problems show that – that Water Authority is really inadequate to protect our water for the future.

The first is that federal law actually required the States to do exactly what they are proposing to do right now – which is put in place new standards in process to manage water withdrawals. WRDA contains no standards, no process for citizen involvement, no enforcement provisions whereas the compact that is proposed contains some of the most far reaching standards we have ever seen and really meaningful provisions for both citizen involvement, enforcement and judicial review.

It's also a fallacy that we have a system in place that currently protects us against diversion. In the 19 years since the Water Resources Development Act was passed three diversions have been proposed and two of them have been approved – both Pleasant Prairie, Wisconsin and Acryn, Ohio were approved while diversion for (Lowa) Indiana was vetoed. So in effect what we have really had for nearly two decades is a system that more often than not results in diversions being approved, not prohibited, and when diversions are approved it's without any scientific standards or opportunity for public process.

Finally the existing federal law, WRDA does nothing to protect the Great Lakes from groundwater diversions. We are beginning to see how in Lake Michigan for example – massive groundwater pumping that is resulting in loss of water from Lake Michigan and taking cumulatively with other water pumping in the region could eventually lower lake levels. The federal WRDA law does nothing to prohibit that. The Great Lakes Basin Water Resource Compact being proposed today expressly covers groundwater and will protect the Great Lakes from harmful pumping.

With that I'm going to turn it over to John Jackson from Great Lakes United to give a little bit more perspective on the international agreement.

John Jackson: I'm John Jackson, a Board member of Great Lakes United and I live in Kitchener, Ontario. In 2001 the Governments promised us a binding agreement to ensure that similar standards are implemented throughout the Great Lakes in St Lawrence River Basin. Today's proposals unfortunately do not provide a binding international agreement. The Governments did not find a mechanism by which the States and Provinces could themselves create such a – an agreement.

You have just heard from Noah about the compact. This is the mechanism that ensures that each of the Great Lakes States will implement the standards. We do not have a similar mechanism in Canada. Therefore it is essential that Ontario and Quebec each pass legislation adopting these standards. We urge them to make sure that this is completed by the time that the US has passed the compact. Although this proposals today failed to find a binding mechanism across the International Boarder, the provincial and State Governments have still made significant progress towards basin-wide decision making on significant proposals for diversion and water use. A system that is really precedent setting around the world.

The Government's are proposing to set up a regional body to review major diversions of water out of the Great Lakes basin and between different lakes within the basin. Major consumptive uses within

the basin would also go to the binational regional body. Previously States and Provinces were required to notify each other of major proposals but there weren't any formal mechanisms to try to work out differences. Now, a proponent would be required to sit down together with the others and try to come to consensus with every other Province and State on whether or how to proceed.

It is still incomplete internationally and that the regional body can only make a recommendation and the proposing State or Province only has to consider this recommendation. While not perfect – it is still much better than the current situation where it is easy to ignore someone on the other side of the US Canada border. It thus strengthens the ability of Canadian Province or of a US State to push to ensure that someone on the other side of the border does not accept a proposal that could threaten the Great Lakes and the St. Lawrence River Basin. So we do see this as a significant step forward but we will be pushing to make sure that this binational regional body is set up in such a way that it maximizes the capacity of all of us to protect the waters of the Great Lakes at St. Lawrence River for everyone's welfare – regardless of whichever country we may live in.

Reg, turn it back to you.

Reg Gilbert: Let's speak briefly on – the public involvement components of these agreements. Both agreements provide – all citizens and interested parties the right to come to – to know about in a timely fashion and its comment on any proposals that are made and to see all records. All defenses, all reports, all comments on those proposals also in a timely fashion. The – the two agreements also allow for a system to decide which proposals are significant enough to require physical public meetings.

The US compact adds to this by granting the public the right to participate in enforcing the agreement. First it allows citizens the right to object in court if they have to, if they think the decisions are violating the law. And second it allows – it allows citizens to sue people who are drawing water but have not gotten a permit directly and to get reimbursement of legal costs if they succeed. These are both good – methods – the access to the proposals and commenting on them and direct participation enforcement to make sure that the agreements live up to the promise that – they are – they are making in writing.

So – that's all I have to say about public involvement. I was just hoping that all the presenters could say one last thing to summarize for the participants what they like to take away from this. The one – the one single most important thing they would like – participants to take away from this call. Michele?

Michele DePhilip: All right it's easy for me. This is the first time we will have consistent ecological standards for water withdrawals that apply to all waters of the Great Lakes basin. Noah?

Noah Hall: For us, we are very concerned that the states will have what might be as long as 13 or 14 years to put in place meaningful standards to deal with water withdrawals within their state.

John Jackson: And we want to make sure that the binational regional body is taken seriously, is given the resources to do the work that it needs to do, to make sure that – we are truly protecting the Eco-system regardless of which jurisdiction we live in.

Reg Gilbert: And finally the public involvement and public participation in enforcement of agreement as proposed here are substantial and these provisions must be preserved in the – in the final document the Governors and Premiers sign.

Genie Lester: Okay, thank you. I think (Hylee) we are probably ready to take questions from the media.

- Operator: Thank you. If you have a question at this time please press the “1” key on your touch tone telephone. If your question has been answered or you wish to remove yourself from the queue please press the “#” key – once again if you have a question please press the “1” key. One moment – for the first question. Our first question comes from Gary Wisby of Chicago.
- Gary Wisby: Yeah this is Gary Wisby at the Chicago Sun Times. I have one question for Noah Hall and another question for Michele DePhilip. Noah you went a little fast for me – could you go – go over what these diversions – the over a one million a day requires unanimous approval and then the – the super majority again?
- Noah Hall: Sure. And Gary I – I was – was listening in on the press conference, I know that was a question for them as well. It’s a very confusing issue the – the agreement makes a clear distinction between diversions for water that gets used outside the basin but would eventually be returned and those are called diversions and use of water within the basin that still results either through evaporation or some other process and actually leaving the basin inadvertently. I think may be a fair of looking at distinction is it’s where the water is being ultimately used. For diversions of water to be used outside of the basin and for this you know you picture a pipeline that leaves Lake Michigan and goes either you know somewhere west past this Wisconsin out somewhere that way. Those diversions that are over one million gallons per day requires unanimous approval of all voting Great Lakes States and there is 8 Great Lake States so it essentially would have to be an 8 to 0 vote.
- Gary Wisby: Uh-huh.
- Noah Hall: A State can abstain. For the uses within the basin say a power plant being build on the shores of Lake Michigan to meet the water need the – the energy need for Chicago there’s still going to be a loss of water from the Great Lakes. Power plants for example have a tremendous amount of evaporation and millions of gallons a day of water would leave the Great Lakes by evaporation never to return to the basin. For that type of in-basin water use when the loss of the water is over five million gallons per day then it again triggers that multi-state review and we require a at least a 6 to 2 majority vote – or another way of looking at it is – any 3 states could vote no and essentially turn down that project. Now one thing to keep in mind though with all this voting as Michele and some other people have pointed out, one of the most important aspects of this agreement is that decisions on either diversions or in-basin water uses aren’t left to politics and voting first and foremost but left to science and standard based decisions so ideally the voting isn’t as important as the standards the decisions are being made under and the opportunity for public’s comments and process and judicial reviews of those decisions.
- Gary Wisby: Uh-huh, so the difference between the two situations is the unanimity from the states is required when the water is going to be returned but when it’s going to lost – and all we need is a 6:2 majority?
- Noah Hall: Uh-huh.
- Gary Wisby: No?
- Noah Hall: I’d – I’d put it slightly differently – unanimity is required by the States if the water is being intentionally diverted out of the basin.
- Gary Wisby: Uh-huh.
- Noah Hall: You know a pipe-line project or something like that.
- Gary Wisby: Okay.

Noah Hall: When it's our you know every type of water use results in some loss from the (indiscernible).

Gary Wisby: So this - so there's just okay so the difference is that it – that it favors in-basin use?

Noah Hall: I think that's a –

Gary Wisby: Again here –.

Noah Hall: – I think here it's more fair way to do that.

Gary Wisby: Yeah – yeah okay I get it, all right thank you.

Noah Hall: It's a– it's very political issue as you could imagine.

Gary Wisby: Yeah. Okay my question for Michele DePhilip is first how do you spell both of your names?

Michele DePhilip: Sure it's Michele, M-I-C-H-E-L-E.

Gary Wisby: Uh-huh.

Michele DePhilip: DePhilip, D-E-P-H-I-L-I-P.

Gary Wisby: Okay you were talking about improvements – what – how would – how would these improvement – how, you know, at least give me an example of how the water that was diverted would – would be for this – what are these improvements that you are talking about?

Michele DePhilip: Well, this is of course, one of the new and I think really (indiscernible) keep this that has – has really yet to be worked out among the state and Provinces. But just, this point it signifies a commitment to them to look at – from them to look at how our current water use practices, addressing things like storm water management and the other – other things that we do to – including all of our activities dams and levies and (indiscernible) agricultural drainage, all of our practices that are currently in place and how they could be improved to benefit our ecological system.

Gary Wisby: Can you give me an example of – of an improvement?

Michele DePhilip: Perhaps, increasing infiltration from storm water – of storm water to recharge ground water. That would be something that – a measure that an applicant could take to benefit a past impairment.

Gary Wisby: What was that, increasing infiltration of storm water?

Michele DePhilip: Yeah.

Gary Wisby: What do you mean?

Michele DePhilip: So, instead of – instead of funneling storm water off and increasing discharge into our – our streams, actually absorbing it and – and more mimicking the natural processes that would have been in place prior to –

Gary Wisby: I see.

Michele DePhilip: – intervention.

Gary Wisby: I see. Okay, thank you.

Michele DePhilip: Sure.

Operator: Thank you. Our next question comes from Hugh McDiarmid of Detroit Free Press. Your question, please?

Hugh McDiarmid: Hi, folks. Anyone of you can – can – can answer this. But I want somebody to give us some examples of – of – of – of the uses that are occurring now and – and sort of what size they are. So, we have something to judge the one million and five million gallon thresholds, for instance the controversial Ice Mountain bottling plant in Michigan, how much are they currently pumping, what does a typical power plant pump or a municipal water system or a large scale farmer, what kind of uses are those? I understand that the existing uses (indiscernible). But, if somebody can kind of give me some – some – some sense of scale, what we are talking about a million gallon today, five million gallons a day and my other question is, what about complaints that – that – that companies or – or entities that want to get approval for this much will have a lot more hoops to jump through, it will increase cost to them and – and bureaucratic headaches and red tape when they have to get – get this approved by you know, eight of eight or six of eight states. Anybody –

Noah Hall: I – I – Hugh, this is Noah Hall, Nation Wildlife Federation. I could take a shot at answering it and may be my answer to your first question will help answer your second.

Hugh McDiarmid: Uh-huh.

Noah Hall: These thresholds – these numbers that you are hearing, five million gallons per day consumptive loss and one million gallon per day diversions are very large numbers. To give you some perspective, the very controversial Ice Mountain bottling plant in Mecosta County, Michigan is only several 100,000 gallons of water a day. So, it wouldn't be either of those thresholds.

Hugh McDiarmid: Uh-huh.

Noah Hall: In agricultural operation, even the giant agricultural operations that we are seeing in Saginaw County that are training home owner wells up there, none of those agricultural operations would cross the five million gallon per day thresholds for consumptive loss. It would take – and considering that this is only for newer or increased uses, it would really take you know, for most cities, massive new water infrastructure, perhaps doubling the size of their existing use depending on the size of the city. For agricultural operations, which agricultural irrigation makes up about a third of the water use in the basin and I don't believe there is a single farm – a single agricultural irrigator that uses more than five million gallons per day and would cross this threshold. Power plants might come over the threshold depending on the size of the power plant and again it would only be a new power plant or major expansion of an existing power plant. A power plant might come over the threshold. That – I think that goes into the – to your second question, which is how much of a regulatory burden does this create.

Well, I think it's pretty fair to expect that it would be – be very small exceptions, the absolute largest project that would come under this regional review and be subject to approval from all of the states. Diversions like I – like I said before we have only seen three diversions proposed over the past I guess, 18 years since the Water Resource Development Act was passed in 1986, three diversions over 18 years and then for in-basin uses of five million gallons per day I think more from than not a calendar year would go by and not a single project would cost a threshold. Most projects – most water withdraws would be managed under the state program which kick in below those thresholds,

and which the states have ten years from the date of the agreement to put in place. And frankly it's unknown exactly what kinds of laws and regulations the state would put in place to comply with the program. We know that as proposed it has to meet these basic standards, but I think it's been unresolved question how much flexibility they'll have and what it ultimately means for both the business community and for environmental protection.

Hugh McDiarmid: So – so the one million gallon and five million gallon thresholds are – are safe-guards against essentially the huge bellow punch that – that the lakes couldn't absorb and then – and then the smaller everyday diversions and consumptive uses, you are accounting on the states individually to regulate those under a loser frame work.

Noah Hall: I think that's pretty fair way of summarizing it.

Hugh McDiarmid: Thanks Noah.

Noah Hall: Sure, does anybody else want to fill in my answer there.

Hugh McDiarmid: Fill your answer, no.

Operator: Thank you, our next question comes from Tim Zorn of Post Tribune, your question please?

Tim Zorn: This is following up on something that Noah Hall mentioned, you said there have been only three diversions proposal over the past 18 years and low well Indiana was one of those, and as I understand that was the only one that was denied, first question is, would there be anything in this – in this new agreement that would make it easier for low well to get it's diversions approved if they were to try again, I know – I don't know if they are. And second of all why were they denied when the others were approved?

Noah Hall: Well to answer the – the second question first, politics plain and simple, under the existing framework that we have it on the US side to deal with diversions, there is no science, there is no standards, there is no public process to inform a decision whether a diversion should be approved or not, simply left up to the political whims of the Governors, and so you know there isn't – there is no clear standard you can point to as to why one project got approved while another got denied. Without knowing every detail of the Low Well project it's very difficult to say whether or not it would be approved under – under these standards. I think what the Governors are attempting to do is, put in place a set of standards and framework that set a very high bar for a new diversion, I would call it an all but impossible bar to a diversion. In addition to having to demonstrate conservations, water conversation standards that they are not harming the lakes but they are actually improving the lakes. It also has to return water back to the lakes which is something that I believe will low well Indiana was not willing to do at the time of their original proposal. And that return flow requirements is probably our strongest safeguard against the new or proposed diversion from low well or any other community.

Tim Zorn: Thank you.

Operator: Thank you, our next question comes from Corydon Ireland of Democrat & Chronicle, your question please?

Corydon Ireland: Actually that's Corydon Ireland from the Democrat & Chronicle in Rochester, New York. I wondered if you could tell me any of you that, whether or not Annex 2001 has any natural enemies. I am considering – I am thinking of farm organizations here and there that have voiced some concern or opposition, and some water industries who have done the same and as a (colliery) of that may be

you could answer a second question whether or not you see any likely legal challenges even beyond the by-national borders here, any global legal challenges to what the Annex proposes to do?

Male Speaker: Noah I think –

Noah Hall: Why don't I take a shot at it.

Male Speaker: All right take shot at it.

Noah Hall: Sure thanks, Noah Hall from National Wildlife Federation. I think your question has part of your answer in there. Obviously the – the likely opposition to this agreement is going to come from communities and states far outside the region that are experiencing water shortages either because of wasteful water practices or just because of their geography. And this agreement is going to make it all but impossible for – you know, populations in Arizona, Texas, California, and even the southeast to use Great Lakes water. So I'd imagine they are not going to be too enthusiastic about it. You know, and even more so because the agreement would really put control of the regions water with our regions leaders. So as Reg said the growing political power of the Sunbelt in the southwest in Congress would be less likely to lead to a diversion of our water of those locations. For water users here at home, you know, I don't want to speak for any of the other interest groups, I will say that the farm bureau along with all the municipal water users, the business community industry have all been – have all had a seat at the table working on the Governor's advisory committee along with Great Lakes United, The Nature Conservancy and NWF. And I think a number of their concerns have been incorporated into this agreement. For the concerns of agricultural – agriculture in particular there is a subtle but, potentially devastating loop hole included in the agreement that allows the your water use – your allowed water use per day before you trigger a view to be averaged over a 120 day period. Because most agricultural irrigators only pump extensively for you know, at most one month of the year they essentially get to average out that one month of water use over a four month period, effectively lowering them under the trigger levels and making it very unlikely that any agricultural operation would know – would come under – the Multi-State review. You know, I think beyond that we are seeing a range of responses from water users – some are recognizing that what this agreement would really do is protect the supply of water to ensure it's available for their water use, for their economic needs, both right now and in the future. I think other water users who have historically had more wasteful practices or this water use has demonstratively harmed natural resources in the environment have little bit more to be worried about. And that's probably a good thing.

Corydon Ireland: And what about legal challenges that – that could on the horizon?

Noah Hall: Well –.

Corydon Ireland: I think I – I heard Reg at one point speak to that issue.

Noah Hall: Yeah. You know, as Reg said in the background, creating a set of policies and laws that we extend legal challenge was one of the major driving forces behind this whole process. And one of the primary concerns that was front and center on everyone's mind every step along the way. It's – it's hard to know right now whether or not we ultimately succeeded in creating the most legally defensible system that we can. But I think that we have done a number of things to improve over the status quo. We now would regulate our water use here at home as well as regulating diversions and we regulate both types of water use under the same standards. And it was that discriminatory treatments where currently under the status quo a Governor can veto a diversion of water outside of the State, but most States do nothing to regulate water use at home. And this system would put in place a more balanced approach. It wouldn't treat in-basin use the same as diversions but it would – it would be a more balanced approach and it would be less discriminatory.

Corydon Ireland: You talked about a range of responses. What about the venue for those responses? I am aware of the Chicago, Toronto meetings coming up. But, will each State have at least one public hearing and if so, do you know, have anybody – have any one scheduled yet or –?

Noah Hall: Well, my first response is that's a great question for the Governors.

Corydon Ireland: Okay.

Noah Hall: Our organizations have – have very strongly asked each one of the Governors to provide the maximum possible opportunity for public participation and to hear the voices of their constituents. I believe that Ohio – has taken the lead and it's in out front in promising a number of public hearing throughout their state in number of venues. I would really leave that question to the Governors and ask them what they are planning in terms of public hearings and public participation.

Corydon Ireland: Thank you.

Reg Gilbert: Corey, this is Reg. Can I talk on one more point on the trade agreements issue?

Corydon Ireland: Sure go ahead.

Reg Gilbert: The – one of the environmental communities request for years now has been some what (indiscernible) of course that National Trade negotiators treat water differently, exempted from the existing trade agreements and the future trade agreements, and one benefit of the passage of this agreement in July that happened, is it raises to the national radar, this issue of responsible management of water and peaceful coexistence with trade agreements such that national trade negotiators will be more likely to take into account that there is an existing agreement, possibly, specifically listed in an Annex saying that there is conflict disagreement rules. I puts – it puts on a national and international level the issue of water and trade and I think dramatically strengthens our hands to have this been over at issue that's dealt with in our favor over the many years and decades of on going and continues international trade negotiations that would take place.

Corydon Ireland: Thank you.

Operator: Thank you. Our next question comes from Marc Heller, of Watertown Daily Times, your question please.

Marc Heller: Hi, thanks. I thought I heard some one say before that – that the compact would have – would basically have the authority of state law and then if approved by Congress federal law, but I am wondering if it's even possible to have an inter state compact without Congressional approval and what happens if Congress doesn't approve this thing and what sort of, can you read the political tea leafs a little bit as far as Congress goes?

Noah Hall: I could take that one, Noah Hall, National Wildlife Federation.

Marc Heller: Okay.

Noah Hall: Congressional (indiscernible) is required for any inter state compact that deals with an area of federal subject jurisdiction, and obviously management of inter state waters, great lakes included, an area that the fellow government has jurisdiction over and so the federal government needs to connect to a compact in order for it to be valid. I would be willing to say that I am fairly confident that if the compact once finalized by the Governors gets approved in each one of the state legislators, it's very

likely Congress would approve it. In US we have a strong history of Congress deferring to state leadership and initiative on inter state compact both on water and on a host of other subjects. There is probably about 4 to 5 dozen water compacts around the region, and I think the political practice is that if senators or Congressmen from state start meddling in the compact between in one region, other senators and Congressmen will there compact, so everyone can reach each other alone, but Congressional approval would be required, it's still an open question whether Congress would approve the compact before the state legislators, ratify it or after. That's just going to be a matter of timing, and it's possible that they will do it concurrently not sequentially. Did that answer your question?

Marc Heller: Yeah – yeah it did thank you.

Operator: Once again, ladies and gentlemen, if you have a question at this time please press the '1' key on your touch tone telephone. Our next question comes from Tim Zorn of Post Tribune, your question please.

Tim Zorn: Actually, I think you have answered one of the questions that I had which was when does this – what's the next step in implementing this, as I understand, this agreement would be presented to Congress and the legislators and – and after they approve it, then these – then this – agreement actually would start going into effect, is that right?

Male speaker: Yeah, that's correct.

Tim Zorn: Okay thanks.

Operator: Thank you. Ms. Lester showing no more questions at this time.

Genie Lester: All right. We would like to thank the media for giving us your time and for phoning in. If you have any questions do not hesitate to get in touch with any of the panel speakers or with myself and I will put you in touch with the expert that you need to speak with. Again thank you very much for your time. Bye now.

Noah Hall: Thank you everybody.

Operator: Thank you ladies and gentlemen for participating in today's program. This now concludes program you may all disconnect. Thank you and have a fantastic day.