



COMMONWEALTH of VIRGINIA

DEPARTMENT OF ENVIRONMENTAL QUALITY

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June 18, 2007

Mark A. Haley, President
Virginia Nutrient Credit Exchange Association, Inc.
P. O. Box 51
Richmond, Virginia 23218-0051

Re: Exchange Compliance Plan & Nutrient Trading

Dear Mark:

I am writing to express my appreciation for the outstanding efforts of the Virginia Nutrient Credit Exchange Association to date. In particular, I was pleased to learn that the Exchange Compliance Plan (May 31, 2007 Final Draft) shows that preliminary participation levels by local governments and industries has grown approximately 40 percent over the past few months to more than 100 facilities.

As you know, a high participation level in the Exchange Compliance Plan with nutrient credit trading is essential to accomplishing our mutual water quality goals on time and on budget. You and all participants in The Exchange are to be commended for your collaborative efforts to speed up the Bay cleanup while also mitigating the statewide impact of rapidly escalating construction costs.

I hope you will extend my sincere appreciation and encouragement to all facility owners and urge their full participation in the Exchange Compliance Plan. I am looking forward to receiving your final plan next month. Keep up the great work.

Sincerely,

A handwritten signature in black ink that reads "David K. Paylor".

David K. Paylor