

Testimony of

Kay Nelson

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Testimony by Kay L. Nelson

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Northwest Indiana Forum

On behalf of the

Business & Environmental Stakeholders of the State of Indiana

Before the

Senate Judiciary Committee

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Good afternoon Chairman Feingold, Ranking Member Specter and members of the Committee. Thank you for this exciting opportunity to appear before you this afternoon on Senate Joint Resolution 45 expressing the consent and approval of Congress to an interstate compact regarding water resources in the Great Lakes - St. Lawrence River Basin.

My name is Kay Nelson. I serve as the Director of Environmental Affairs for the Northwest Indiana Forum, a non-profit regional economic development organization. Our member-organizations representing over \$40 Billion in commerce include industrial and commercial businesses, financial entities, universities, hospitals and municipalities within Lake, Porter and LaPorte counties in Indiana.

In 2003, the Forum Environmental Committee created a working subcommittee that included Jim Flannery, ArcelorMittal Steel Indiana Harbor, Doug Bley, ArcelorMittal Steel Burns Harbor, Dave Behrens, U.S. Steel Gary Works; Rees Madsen and Linda Wilson, BP Whiting Refinery; Dean McDevitt, formerly of NIPSCO, and myself to focus on the development of Indiana legislation on the adoption and implementation of the Great Lakes Compact. A significant directive in the Forum's Environmental Committee Mission Statement recognizes the importance of collaboration with the environmental community on all issues. As such, the subcommittee expanded the working members of the Compact Team to include "Lady of the Lakes" Lee Botts, founder of the Lake Michigan Federation currently known as the Alliance for the Great Lakes and Tom Anderson and Charlotte Read of the Save the Dunes Council, and John Goss with the Indiana National Wildlife Federation.

As a Compact team, we established a positive discussion process to allow for the recognition of diverse viewpoints through an open dialogue where common ground was identified and areas of uncertainty were identified and resolved.

The Compact team was instrumental in:

? Formulation of a Northwest Indiana Forum Position paper which supported the adoption and implementation of the Great Lakes/St. Lawrence River Basin Compact during the 2008 Legislative Session.

? Preparation of a joint Industrial and Environmental Stakeholders resolution supportive of the Compact process which was read into the record at the initial meeting of the Great Lakes/St. Lawrence River Basin Regional Body on June 6, 2006.

? Providing written and oral testimony at numerous public meetings and Indiana legislative committee hearings during the 2008 Indiana Legislative Session.

During the course of the Compact's consideration in Indiana and other states, several questions arose regarding the meaning and interpretation of some of the key provisions. Our Team recognized the importance of resolving those questions so that everyone clearly understood the intent of the Compact.

One of those questions was how the impacts of withdrawal proposals were to be reviewed under Section 4.11. Guided by a memorandum provided by the Chair of the Governors' Working Group, our Team worked closely with the Indiana State Legislature specifically, State Senators Beverly Gard, Karen Tallian and Ed Charbonneau to include a provision in Section 10 of Indiana's legislation declaring the legislature's intent as to the proper interpretation and application of Section 4.11.2. Other states (including Ohio and Pennsylvania) subsequently did likewise. That clarification of intent was essential to winning the support of industry, environmental, agriculture and other stakeholders. We believe that the clarification provided by the State legislatures and the Working Group is critical and as such is included

in this testimony. Mr. Chairman, I am providing to the Committee a copy of the December 2005 memorandum from Sam Speck, chair of the Working Group referred to in my testimony explaining the scope of impact issue and the pertinent provisions from the 3 states' legislation that reflects the Speck memo and Council of Great Lakes Governors understanding. I would respectfully request these items be included in the Committee record.

The Great Lakes/St. Lawrence River Basin Compact is a means to provide an enhanced water management system that is simple, durable, and efficient and retains and respects water conservation initiatives in place and the authority within the Basin when administering proposals for new or increase withdrawals of water.

The culmination of the innovative collaborative approach initiated by the Northwest Indiana Forum Compact Team and many years of diligent work occurred on February 20, 2008 when Governor Mitch Daniels accompanied by State Senator Beverly Gard and State Representative Scott Pelath signed Senate Enrolled Act 45, Great Lakes Compact Bill, as the first bill of the 2008 Indiana Legislative Session.