



WISCONSIN RIVER
INDUSTRIAL DISCHARGERS ALLIANCE

June 11, 2015

Attn: Phosphorus
Division of Intergovernmental Relations
Wisconsin Department of Administration
PO Box 8944
Madison, WI 53708-8944
Sent via Email: phosphorus@wisconsin.gov

Dear Sir or Ma'am:

I am writing on behalf of the Wisconsin River Industrial Dischargers Alliance (WRIDA), a coalition of industrial facilities with wastewater treatment plants that discharge directly to the Wisconsin River. WRIDA members joined together to monitor and engage in the State's development of a Total Maximum Daily Load (TMDL) for the Wisconsin River. Since this TMDL will eventually identify, quantify and limit the sources of phosphorus throughout the Wisconsin River basin, we have a vested interest in understanding how we, as point sources, will be part of the implementation of the State's phosphorus standard through this TMDL. We testified in support of the state's proposed multi-discharger variance (MDV) at the public hearing, but offer this testimony to raise some additional points.

In general, we believe that the state's approach to gauging the economic impacts of phosphorus compliance is reasonable, and feel the findings of the Preliminary Determination are generally consistent with our understanding of how the costs of compliance would impact our facilities, and the communities in which we're located. WRIDA's members produce paper and dairy products, two strong components of the state economies. Our facilities have been in the state for decades, and are located in Wisconsin because of the abundant pulp and dairy resources. The competitive challenges and capital investment challenges arising from the cost of phosphorus compliance not only impact our companies, but also have a ripple effect along the support economy that serves our industries, including dairy farmers, foresters, equipment suppliers, dairy cooperatives, and technical consultants.

We also recognize that the cost estimates developed by the state are not based on site-specific information, and are based instead on treatment cost curves, flow rates, and estimates of compliance obligations. We think this is reasonable, and necessary when dealing with hundreds of facilities facing strict discharge limitations that will necessitate large capital investments. However, for the facilities located in the Wisconsin River basin, it is unclear what our ultimate discharge limitations will be. Those values will not be known – and can't be known – until the completion of the TMDL in 2016 or 2017. In the preliminary determination, WDNR used current permit requirements to gauge the costs for compliance of facilities on the Wisconsin River. This approach significantly undervalues the cost of compliance for the Wisconsin River facilities who could be required to severely limit discharges under the TMDL.



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We understand why the State was forced to take this approach for the Wisconsin River facilities, since the TMDL is currently in development. However, this approach systematically underestimates costs for facilities located in the state's largest river. While this helps underscore some of the conservative estimates the state utilized in making its assessment, it raises several questions about how these facilities may qualify for the MDV. It's our understanding that the state has proposed two screeners to identify whether facilities qualify for the MDV. One of these involves ranking individual facility costs against the costs of other facilities in its industrial category. The other ranks the costs of counties impacted by the costs of facility compliance. In both of these approaches, the underestimation of costs may impact a facility's ability to qualify for the variance, even if their treatment obligations are as burdensome – or more burdensome – than facilities located outside of the Wisconsin River. These facilities should not be disadvantaged by the fact that they are located in a developing TMDL, and should be eligible for the variance when their ultimate compliance obligations are determined in the final, approved TMDL.

In spite of the challenges associated with estimating costs for so many facilities located across the state, the Department of Administration and the Department of Natural Resources have proposed a reasonable, defensible approach to quantifying the costs of this regulation. We appreciate the Preliminary Determination's recognition that nonpoint sources play a crucial role in helping to meet the State's water quality standards, but feel that the preliminary determination is conservative in reflecting the reasonably anticipated costs of compliance under a TMDL for the Wisconsin River. We urge the State to work with the Environmental Protection Agency to approve this MDV, and to include in this approval a mechanism by which the Wisconsin River facilities can be eligible for the MDV once their phosphorus removal obligations are determined in 2016 or 2017.

Thank you for your efforts on the MDV.

Sincerely,

//s// Angela James

Angela James
WRIDA Representative