Wisconsin Needs Phosphorus Reform that Works
Support the Clean Waters, Healthy Economy Act

- More Jobs
- Cleaner Environment
- Protecting Ratepayers

Coalition Partners
The Problem

In 2010, the DNR finalized a rule requiring point sources to reduce the phosphorus in their effluent discharges to between 0.04 mg/L and 0.1 mg/L, levels that often can’t be met without threatening the economic viability of the point source. Since Wisconsin was the first state in the Midwest and one of only a few in the nation to set numerical standards anywhere near this stringent, cost-effective technologies for the treatment of phosphorus had not yet been developed.

Wisconsin’s rules require point sources to add new and extremely expensive treatment technology to remove the last remaining fractions of phosphorus from their discharges even though most of the phosphorus in our waters comes from “nonpoint” sources. Thus, the current rules place enormous economic burdens on point sources that achieve very little environmental benefit.

These costs make Wisconsin less competitive with surrounding states that do not have these standards, jeopardizing core businesses like cheese making, paper production, and food processing. In addition they are placing additional burdens on municipal ratepayers. Current compliance tools like adaptive management and trading are proving to be unhelpful for many sources. A new option is needed for point sources to achieve cost effective reductions while making improvements for nonpoint sources.

Who is Impacted

- Anyone with a water bill
- Municipal sewerage treatment facilities
- 10,000s of jobs at cheese makers, pulp and paper mills, and food processors

Estimated Compliance Costs: $4.9 Billion

- Brookfield: $50 million
- Oshkosh: $39 million
- Green Bay: $223 million
- Whitewater: $5.5 million
- Cumberland: $6.5 million
- Stanley: $6 million

- The first cheese makers complying with the rule are facing capital costs in the $5-6 million range with operating costs above $700,000/year. Not all cheese makers in Wisconsin will be able to absorb such job killing costs.
- Paper mills are facing costs ranging from $3-30 million for capital projects with operating costs as high as $7 million/year.

The Clock is Ticking

Hundreds of permit holders have until the end of this year to find a solution. They need relief now.

Impacts if the legislature doesn’t take action:
- Loss of growth in key Wisconsin industries
- Chilling effect on job creation
- Plant closures and layoffs are likely
- Double digit water utility bill increases for regular citizens and many businesses

Environmental Benefits of Existing Rule: Minimal
- The existing rule only targets point sources
- Point sources in Wisconsin are responsible for just a fraction of our phosphorus impairment
- Point sources already cleaned up approximately 90% of their contributions under the previous standard
- This costly rule doesn’t provide an environmental bang for our buck

Wisconsin is a Regulatory Island: No other Midwest state has adopted a regulatory regime anywhere near as costly or burdensome as Wisconsin. Iowa for instance is pursuing a limit that is ten times higher than Wisconsin’s. How can Wisconsin employers compete with such a disadvantage?
Basic Structure
Utilize a multi-discharger variance concept similar to that used in Wisconsin for chlorides and in Montana for phosphorus. The key elements would be:

- 20 year (4 permit terms) statewide variance similar to what EPA has shown support for in Montana
- Permittees must certify that they cannot meet the phosphorous limit without a major facility upgrade to opt into the variance
- Permittees must continually work toward meeting their limit and make improvements over time
- Permittees must contribute financially to help reduce nonpoint pollution in their watersheds

A New Tool for Compliance
Create a fee-in-lieu program to improve the environmental return on our compliance investment by making real improvements in nonpoint pollution:

- Permittees would pay a fee based on the difference between the pounds of phosphorus in their discharge level and a target value
- Fees will be sent to counties to beef up their existing non-point programs or used for phosphorus reduction projects approved by DNR
- The Counties must target the funds towards efforts that will result in the greatest phosphorus reductions
- DNR will ensure oversight and accountability

Through Smarter Phosphorus Strategies, Everyone and the Environment Wins
The Solution
Provide an additional compliance option for both municipal and industrial point sources that will:

- Save jobs
- Lead to better environmental outcomes
- Increase certainty for planning and implementation
- Provide millions of dollars to address nonpoint problems
- Avoid large capital and operating costs
- Reduce utility rate increases
Questions & Answers

1. **Is this issue time sensitive?**
   Yes. The clock is ticking. Many point sources have until the end of 2014 to choose a compliance option or risk their ability to operate.

2. **Does the bill alter water quality standards?**
   No. The bill leaves the existing water quality standards for phosphorus intact. It is not a repeal or suspension of Wisconsin’s phosphorus water quality standards.

3. **Does the bill replace existing compliance options like trading or adaptive management?**
   No. The bill provides an additional compliance option for point sources that will work alongside existing options like adaptive management. It does not compel a particular option, nor remove existing options.

4. **Does the bill let point sources off the hook for a period of time?**
   No. The bill requires continuous improvement by point sources towards ultimate compliance with the phosphorus water quality standard.

5. **How does the bill help lower costs for municipalities and employers?**
   The bill avoids the extremely expensive cost of advanced filtration which would be required to meet the final phosphorus water quality standard until technology improves and the costs are reduced.

6. **Point sources only amount for 20-30% of phosphorus pollution in WI. Does the bill help solve the other 70-80% of the problem that isn’t addressed under the current rules?**
   Yes. The bill provides a simple mechanism for point sources to provide significant monetary support for nonpoint reductions of phosphorus which constitute the largest percentage of phosphorus in our watersheds.

7. **Does the bill create new bureaucracy or complicated new regulatory programs?**
   No. The bill utilizes the existing nonpoint program under NR 151 administered by Counties and subject to DNR oversight. It does not create new standards or require a new administrative mechanism to achieve nonpoint reductions. It simply puts gasoline in the engine of a program that we already know works.

8. **How will EPA view this proposal?**
   The bill utilizes a multi-discharger variance approach similar to that in use for chlorides that EPA has approved. The concept of a multi-discharger variance for phosphorus is also an approach approve by EPA for use in the State of Montana, and was recommended in EPA’s recent proposed rulemaking dated September 4, 2013.

9. **What happens if we develop a better way to address phosphorus at point sources?**
   The bill provides for regular review of technologies so that if technology improvements are made or costs are reduced, the variance determination can be reexamined and point sources can be required to come into full compliance sooner.

Call (800) 362-9472 and tell your legislator that Wisconsin needs the Clean Waters, Healthy Economy Act!

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