



United States Senate

Washington, D.C. 20510

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FOR YOUR INFORMATION

WASHINGTON, D.C. - U.S. Sen. Bill Nelson has received word from the U.S. Environmental Protection Agency that it has agreed to get an independent review of what it will cost local governments and businesses to comply with new federal water-quality standards.

The EPA said communities and businesses would have to pay out between \$135 million and \$206 million for new equipment and such. But the Florida Department of Agriculture estimated the cost to just the ag-industry to be \$1.6 billion.

So great was the disparity that Nelson requested a third-party review of the cost. He asked the EPA, meantime, to delay the new rules.

Below is the EPA's response to Nelson, along with his letter requesting an independent cost estimate.



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

APR - 6 2011

THE ADMINISTRATOR

The Honorable Bill Nelson
United States Senate
Washington, DC 20510

Dear Senator Nelson:

Thank you for the letter dated March 10, 2011 regarding the Environmental Protection Agency's final rule establishing limits on nitrogen and phosphorus for Florida's lakes, springs and flowing waters. I also appreciate the opportunity to continue our positive dialogue on this very important issue.

Nitrogen and phosphorus pollution are well recognized as significant contributors to degraded water quality, in Florida and many other states. This pollution – which causes harmful algae blooms – the thick, green muck that fouls clear water – can produce toxins harmful to humans, animals and ecosystems across the State of Florida. Addressing this pollution is central to supporting the economic prosperity of the State of Florida, which relies on clean water for tourism, recreation and industrial uses.

EPA finalized numeric nutrient limits at the end of last year, but delayed the effective date until early 2012 to permit stakeholders and the State of Florida to understand the new requirements and work with EPA to make implementation as cost-effective, flexible and least burdensome as possible. For instance, last month, EPA reiterated its openness to requests to establish Site Specific Alternative Criteria in lieu of the federal criteria. We also advised the State of Florida that EPA will not object to state-issued NPDES permit limits based on existing Total Maximum Daily Loads (TMDLs), absent specific new information demonstrating the TMDL targets are not protective. Through these and other efforts, we have worked collaboratively with the State of Florida to find flexibility without sacrificing the end goal that we both share: clean water in Florida.

A critical issue throughout the rulemaking process has been the costs associated with implementing numeric nutrient criteria. EPA's analysis of our rule shows an annual cost of between \$135 and \$206 million. To put this into perspective, this would cost all households on inland waters between eleven and twenty cents a day. However, other analyses show significantly higher costs, in some cases by assuming use of treatment technology, which EPA believes does not need to be deployed to meet pollution limits, by including hundreds of municipal treatment systems that are not covered by the inland rule and by including millions of acres of farmland that will not be affected by this rule.

Because the economic impact of the rule is dominating the public discussion in Florida. I agree with you, Senator, that an independent cost review of EPA's economic analysis should be performed. EPA has begun the process of working with the National Academy of Sciences (NAS) – a highly reputable and independent organization that has the capability to do such economic reviews in a non-partisan, non biased manner – to review the Agency's cost estimate in comparison with those of other stakeholders.

Specifically, the NAS will conduct a third party independent review of EPA's cost estimate, in addition to other cost estimates, associated with this rule. EPA's rule, with the exception of the site-specific alternative criteria provision, will not take effect until March of 2012.

Thank you for your letter as well as your ongoing work on this and many other issues for the citizens of Florida. I look forward to continuing to work collaboratively with you. Please feel free to contact me, or to have your staff contact Arvin Ganesan, EPA's Deputy Associate Administrator for Congressional Affairs, at (202) 564-4741.

Sincerely

A handwritten signature in black ink, appearing to read 'Lisa P. Jackson', written in a cursive style.

Lisa P. Jackson



United States Senate
WASHINGTON, DC 20510-0905

BILL NELSON
FLORIDA

March 10, 2011

The Honorable Lisa Jackson
Administrator
U.S. Environmental Protection Agency
1200 Pennsylvania Avenue, NW
Washington, DC 20460

Dear Administrator Jackson,

Thank you for meeting with me yesterday to discuss the Environmental Protection Agency's (EPA) rule to establish limits on nitrogen and phosphorous for Florida lakes, flowing waters, and clear springs.

There are few people as adamant about protecting Florida's environment as I am. Common sense tells us that a clean environment - in this instance, clean water - is good for our citizens and Florida's tourism-driven economy.

Understandably, there are steep costs associated with algae blooms, fish kills and closed beaches. But there remains intense debate over the cost of complying with this the rule for cities, communities and businesses. EPA estimates range from \$135 and \$206 million. The Florida Department of Agriculture and Consumer Services found agriculture alone would face up to \$1.6 billion annually.

Without more precise figures of the actual costs to Floridians, municipalities and the state's economy, the EPA should not spend money to enforce the rule. In the meantime, I'm asking that you expeditiously commission an independent third-party review of the total costs of compliance, perhaps under the auspices of the National Academies of Science or the state university system.

Critics charge the EPA's cost estimates are flawed. For example, they say, the EPA assumes most agricultural activities won't be directly regulated and that utilities won't need to invest in the most expensive types of new wastewater treatment. An independent review will shed light on whether these assumptions are correct.

Several cities and businesses have asked for EPA's guidance regarding alternatives to meeting the rule's standards. EPA must be responsive to these requests and continue to provide assistance. And I urge you to do so.

In a nutshell, I ask for the EPA to suspend application and enforcement of the rule, while providing for an independent analysis of the costs of compliance and continuing to help cities and counties prepare for its eventuality. I look forward to your response and thank you in advance for your efforts to ensure an accurate, unbiased assessment of the aforementioned costs.

Sincerely,

A handwritten signature in blue ink that reads "Bill Nelson". The signature is fluid and cursive, with the first name "Bill" and last name "Nelson" clearly legible.