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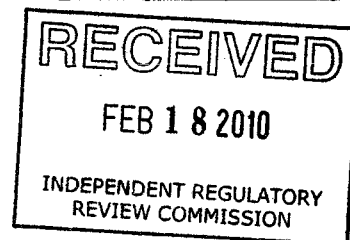
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January 22, 2009

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Environmental Quality Board
Rachel Carson State Office Building
16th Floor
400 Market Street
Harrisburg, PA 17105-2301

ENVIRONMENTAL QUALITY BOARD



RE: Comments on Proposed Total Dissolved Solids (TDS)/Wastewater Discharge Regulations

I appreciate the opportunity to submit comments on the proposed rule released on November 14, 2009 by the Pennsylvania Department of Environmental Protection (PA DEP) that deals with total dissolved solids (TDS) and wastewater treatment requirements (25 PA.CODE CH. 95-39 Pa.B. 6547). I am the Chair of the Allegheny Conference on Community Development's Business Climate Committee. This committee works to address issues that are important to the common interest of the region's business community. As such, we have significant concerns over this proposed regulation.

We recommend that the Department not advance this rule, and we would like to specifically comment on two areas of concern:

- Absence of scientific data to support this regulation, and
- Potential for the proposed regulations to seriously damage the economy of our region and the state.

Absence of Scientific Data to Support this Regulation

We feel that the DEP is moving forward to implement regulations on TDS without sufficient scientific data to support their proposals. As you know, TDS can be found in a number of natural environmental sources, as well as other sources such as salts used for road de-icing, drinking water treatment chemicals, storm water run-off and point/non-point wastewater discharges (i.e., active and abandoned mines, sewage treatment facilities, etc.). It is necessary to understand the magnitude of the many sources of TDS before any sort of limit should be imposed, and as of now the DEP has not produced sufficient data to back up these proposed regulations.

Additionally, the DEP's Water Resources Advisory Committee has claimed that there is insufficient data to proceed with this rule. At their July 15, 2009 meeting, the WRAC recommended to DEP that it *not* proceed with the rule as proposed because it believed, "the regulations are wide ranging and have not been adequately analyzed by the Department...(and) the draft regulation needs to be supported by science." The WRAC recommended "that the Department...form a statewide stakeholders' group to analyze the issues and develop appropriate solutions." We strongly encourage the Department to follow its Advisory Committee's recommendations to collect and analyze the suggested data before moving forward with the proposed rule.

Potential for the Proposed Regulations to Seriously Damage the Economy of Our Region and the State

Of particular concern to us is this regulatory approach's potential to seriously damage the economy of our region and the entire state. Specific sector analyses have been generated in the coal, natural gas, electricity and pharmaceutical industries, just to name a few. These industries evaluated the potential impact that imposing TDS treatment options would have on them, and the conclusion from all sectors is that the proposed approach would be financially ruinous to Pennsylvania. It would cost billions of dollars in capital investment and hundreds of millions of dollars more in annual operating costs to implement such treatment systems. Some specific sectors, such as electric utilities, would generate much higher CO2 and air emissions if the treatment systems were applied, and other sectors would see huge increases in landfill disposals. This is especially concerning given the very limited data collection and analysis of the problem and the lack of clarity concerning the environmental benefits.

Additionally, it is important to consider the effect that this regulation will have on municipal sewage treatment facilities. The treatment technology required for sewage facilities to meet the proposed rule is very expensive and would result in higher rates for customers. At the same time, facilities that do not upgrade could not accept natural gas wastewater and would sacrifice a significant amount of local government revenue.

The bottom line is that these are "shut down" conditions for many affected employers and would mean a loss of jobs and investment. The lack of cost-effective treatment options severely hinders the competitiveness of many industries that do business inside our region and the Commonwealth. As we've also pointed out, these regulations would have a severe implication on municipal sewage treatment facilities and their ability to afford treatment options. Therefore, we urge the Department to take into account the high cost of compliance not only to businesses but to local governments as well when considering the proposed regulation.

Finally, the Allegheny Conference Business Climate Committee finds the Department's own lack of economic impact data startling in light of the overall economic impact of this regulation. We feel it is important that the Department conduct its own economic analysis in order to fully understand the overall fiscal significance of this regulation not only on business and industry, but on local government operations as well.

For the reasons stated above—lack of sufficient scientific data and the potential for the proposed regulations to seriously damage the regional and state economy—we urge the Department not to advance this proposed regulation.

Thank you for the opportunity to comment on the proposed permitting strategies regarding TDS wastewater discharges, and we look forward to working with you on this issue.

Sincerely,



Carlos Cardoso
Chairman, President and Chief Executive Officer, Kennametal Inc.
Chair, Business Climate Committee, Allegheny Conference on Community Development