



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

OFFICE OF  
WATER

October 12, 2000

Betsy Hart, Executive Director  
National Aquaculture Association  
9 Veranda Lane  
Blythewood, SC 29016

Dear Betsy:

As a follow up to our recent discussions at the JSA / EPA meetings, I would like to provide additional information about EPA's data collection efforts and the economic analyses that will accompany the proposed rule. Particularly, I would like to convey the overall importance that economic analyses will play in developing the proposed requirements and explain the analytical approaches currently being considered by the Agency.

Let me start by thanking you for your participation in this process, especially for your efforts in coordinating the exchange of information between the Agency and your constituents. The Agency is committed to maintaining an open process that allows for full stakeholder participation throughout the various stages of rule development. EPA values the expertise that you and your constituents bring to this project.

Before discussing the different data sources and analytical approaches, I want to remind you that EPA will support the proposed rule with engineering, environmental, and economic analyses. These analyses need to be as accurate as possible, and thus, be based on high quality data. The results of these analyses serve multiple purposes; they will be used both internally by EPA in making decisions and externally by stakeholders when reviewing and commenting on the Agency's decisions. The issue in question right now is not whether these analyses will be conducted, but rather what data sources will be used and what analytical approaches can, or cannot, be used with a given data source.

As outlined more fully below, we have preliminarily structured an economic analysis that will rely on farm-level financial data. Our plan is to collect these data from individual farms. EPA's authority to collect information directly from individual operators is included in the Clean Water Act. Specifically, the section titled "Inspections, Monitoring, and Entry," which we commonly refer to by its number-Section 308-gives EPA's Administrator the authority to gather information to develop effluent regulations. Although, at first glance, this approach might appear intrusive and burdensome, it is also efficient and effective. High quality data for an economic analysis of this industry mean data that represent the diversity in the industry. Publicly available data is