



One Industry, One Voice

January 15, 2003

Ms. Marta Jordan
Office of Water
Engineering and Analysis Division (4303T)
USEPA
1200 Pennsylvania Avenue, NW
Washington, DC 20460

Re: 40 CFR Part 451 Docket Number W-02-01. Effluent Limitations Guidelines and New Source Performance Standards for the Concentrated Aquatic Animal Production Point Source Category; Proposed Rule

Dear Ms. Jordan:

The National Aquaculture Association (NAA) appreciates the opportunity to provide comment on the proposed rule for effluent limitations guidelines for concentrated aquatic animal production facilities, Docket Number W-02-01. The NAA is a national aquaculture trade association representing a diversity of aquaculture species interests. Our members are directly impacted by the proposed rule being considered under docket number W-02-01. The proposed rule could have a significant adverse economic impact on the domestic aquaculture industry and we are opposed to that. The NAA supports environmental stewardship but questions the real environmental benefit of some of the options considered in the proposed guidance. Some of our member associations will be providing comment on specific questions EPA has raised. We want to describe the current and future of the domestic seafood industry.

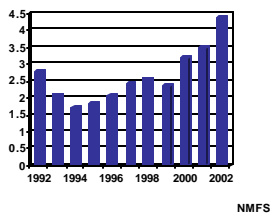
Domestic Industry in Peril

The US food sectors of the domestic farm raised fin fish industry are severely challenged. The challenge and real long term danger arises as a consequence of ever increasing international competition from imported farm raised seafood. The US Department of Commerce estimates nearly 75 % of all seafood consumed in the US comes from imported products¹ and this percentage is likely to increase over time unless domestic producers can become more price competitive. That, combined with significant changes in the eating habits of US consumers as a consequence of terrorist attacks in the US and abroad, has caused significant economic hardship on existing catfish, rainbow trout, salmon, hybrid striped bass, shrimp and tilapia producers. National Marine Fisheries Service data¹ provide credible US Census Bureau information confirming the steadily increasing importation of various seafood. A discouragingly large percentage of that _____

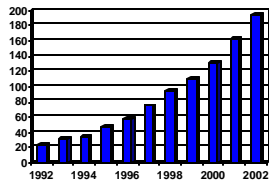
¹http://www.st.nmfs.gov/st1/trade/trade_prdct_cntry.html

increase is due to farm raised species. Most, if not all, of these species are raised in countries that do not have the same rigorous environmental stewardship expectations or requirements that we have in the US. Consequently, producers in these foreign countries have production costs significantly lower than those of US producers. In the past ten years, global aquaculture production has increased nearly 60 %. Internationally, Atlantic salmon production increased 75%, tilapia production increased 70 %, rainbow trout production increased 33 % and shrimp production increased about 20 %. Along with the increase in global aquaculture production has been an increase in the import of the same species. In the past ten years, shrimp imports into the US increased almost 25 %, rainbow trout imports have increased 36 %, salmon imports increased 88 % and tilapia imports increased 95 %. For 2000, the value of imported shrimp, trout, Atlantic salmon and tilapia totaled slightly more than \$4.6 billion.

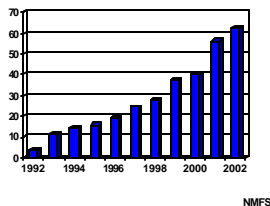
**US Trout Imports
(mt x 10³)**



**US Atlantic Salmon Imports
(mt x 10³)**



**US Tilapia Imports
(mt x 10³)**



The seafood trade deficit in the US is \$7-8 billion dollars. Again, nearly 75 % of the seafood consumed in the US is imported. Of that amount imported, a significant portion is farm raised.

For domestic aquatic animal producers these imports have had a significant negative impact on farm gate prices. Financial reports to the NAA indicate the per pound price received has decreased 10-30 % over the past two years. Unfortunately for the domestic aquaculture industry, the trend towards increased seafood imports is expected to increase as low income, food deficit countries (LIFDC's) intensify their efforts to produce farm raised seafood for their own consumption and for foreign exchange revenue². The effort of the LIFDC's will undoubtedly continue to focus on the production of high value seafood for export to the US.

The NAA believes that any additional environmental requirements promulgated by the EPA in this rule making must be well justified for their practical aspects, positive environmental impacts and costs. We have serious concerns that some of the proposed guidelines or options do not meet these criteria and should therefore be dropped from further consideration.

²FAO. 2000. Trends in Global Aquaculture Production: 1984-1996.

Watershed Management in the US

The environmental impact of an aquaculture operation is watershed specific. Thus, States or Regional EPA offices have developed complete aquaculture regulatory packages in order to protect state water quality standards and to ensure designated beneficial uses are met. Thus, in watersheds identified as water quality limited, such as the middle Snake River in south-central Idaho, where a Total Maximum Daily Load (TMDL) has been established to deal with a variety of point and non-point source pollutants, point source aquaculture operations are very tightly regulated for total suspended solids and total phosphorus discharges. They are currently being scrutinized for drug and chemical use as well. The state of Idaho environmental regulatory agency has certified, through the 401 certification of the federal aquaculture NPDES permit, that the discharge limits recently established in the Idaho General Aquaculture NPDES permit will meet state water quality standards and satisfy protection of designated beneficial uses. Additional environmental requirements for these facilities would be inappropriate since the water body impacted by these facilities will meet state standards. Other water sheds, for example in North Carolina or Mississippi, do not have the same environmental challenges as in Idaho and thus aquaculture facilities are not as tightly regulated. Presumably, based on state records, the aquatic animal production facilities located in these states do not need additional controls because their water bodies meet designated beneficial uses. Certainly state 303 (b) and 303 (d) reports support this contention. Thus, there appears to be considerable scrutiny of environmental stewardship expectations of the US aquaculture industry on a state by state or watershed basis. The need for additional national effluent guidelines that would add significant cost to any size of operation would not be in the best interest of domestic aquaculture development in the US and would not be consistent with national interests for food security. Again, the US has a \$7-8 billion seafood trade deficit and the domestic aquaculture industry is in grave peril of being displaced by much less expensive foreign imports.

Comments to EPA Questions

Our member associations will be providing comment in greater detail. Some of our members support development of best management practices (BMPs) to address potential environmental impacts of aquaculture practices and some favor the no rule option. If EPA selects the BMP option, the BMPs must be tailored to site specific variables. The domestic aquaculture industry is extremely varied in terms of species raised and production practice. The USDA³ estimates there are at least 30 species of aquatic animals raised commercially or by resource management agencies. While EPA proposes to regulate the domestic aquaculture industry on the basis of production practice, species raised can have a dramatic impact on environmental impact regardless of the production practice. This occurs because of differences in a species food, water temperature and fecal matter characteristics. Even within a single species group, considerable production variation exists across the US. Catfish for example can be raised in ponds or in flow-through raceways. Because of the need to address site specific

³USDA. 1997 Census of Agriculture. Volume 3, Special Studies, Part 3. AC97-SP-3

variables, the NAA suggests EPA require site-specific BMP's be developed for review by regional EPA or state environmental authorities but that development of the BMP be the responsibility of facility owners. The NAA is opposed to the EPA taking a lead role in developing specific BMPs. We believe it is appropriate for the EPA to identify various ingredients that need to be included in a BMP , e.g. control of fish pathogens, but the method or control options should be identified by appropriate species and fish production specialists.

Members of the NAA are opposed to the numeric performance criteria proposed under several options. For flow-through systems, it is proposed that microscreen technology be applied to off-line settling basins. We believe the EPA has grossly underestimated the cost of the proposed technology and overestimated its environmental significance. For example, for larger flow-through facilities even one off-line settling basin may require three microscreen filters because the total water flow through the system exceeds the capacity of a single unit. Each unit would require various operational expenses including electricity. In many aquaculture locations, electricity is not currently available or is unreliable. Such filters may also require additional protective housing to ensure reliable operation during harsh winter extremes in temperature and wind. We are unaware of any profitable domestic commercial aquaculture flow-through systems currently employing this technology. The environmental benefit from operation of a micro-screen filter on an off-line settling pond is also over-estimated. At least some of the facilities asked to install this technology are located in water quality limited waters. These facilities are already complying with water quality based effluent limits rather than the less stringent technology based limits. Water quality based limits are established to ensure a point-source discharge does not violate state water quality standards and ensures designated beneficial uses are maintained. To require the additional technology or equivalent on these facilities appears unjustified and would not result in additional environmental gain since the environment already meets or is expected to meet standards.

The NAA appreciates the opportunity to provide general comment. Many of our member associations will be providing specific comment regarding all or some of the particular items the EPA has requested comment on. The purpose of our comments was to provide the EPA with as much insight into the economic challenges confronted by the domestic aquaculture industry as possible. It is our desire that the EPA seriously consider this information as they review comments and evaluate their rule making options.

Sincerely,

John R. MacMillan, Ph.D.
President