



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

SEP 30 1980

OFFICE OF ENFORCEMENT

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MEMORANDUM

SUBJECT: Final BCT Cost Test Guidance

TO: Regional Enforcement Division Directors
State NPDES Directors

FROM: R. Sarah Compton *R. Sarah Compton*
Deputy Assistant Administrator
for Water Enforcement (EN-335)

Attached is the final BCT Cost Test guidance. This guidance is intended to assist permit writers in evaluating treatment options for conventional pollutants pursuant to section 304(b)(4)(B) of the Clean Water Act. The guidance should be read in conjunction with the discussion of the BCT Cost Test in 44 Federal Register 50732 (August 29, 1979) (Appendix G of the guidance). That discussion explains the function of the Test and how it was developed.

As you may remember, the Federal Register discussion outlines the BCT Cost Test methodology as it was applied during the secondary industry review in 1978 and 1979. This review determined if existing BAT effluent limitations for the conventional pollutants for the secondary industries were "reasonable" and, therefore, equivalent to BCT. The determination of "reasonableness" was made by comparing the incremental cost of removal of conventional pollutants for industrial dischargers in the secondary industries (additional cost for meeting requirements above BPT) with a standard incremental cost of removal for publicly owned treatment works (POTWs) (additional cost for meeting requirements above secondary treatment). If the incremental cost (in dollars/pound of pollutants removed) for a category of industrial dischargers was less than the cost for POTWs, the effluent limitation was classified as "reasonable."

The final guidance is a revision of the draft guidance document which was distributed on June 23, 1980, and the guidance reflects written comments received from more than a dozen sources (EPA Regions and States) over the last three months, as well as numerous comments received by telephone. The approach outlined

in the draft guidance has been retained in the final guidance, although modifications have been made to the presentation of the capital recovery factor and to the method for adjusting the industrial cost ratio.

If you have any questions about the final guidance, or if assistance is needed in performing the BCT Cost Test, please contact Bill Jordan, Chief, Industrial Permits Branch, or Tom Lavery of his staff (FTS 426-7010).

Attachment

cc: Permits Branch Chiefs (Regions I-X)

(A copy of this guidance may be requested)