

employ Option 2.5 + P in these subcategories, although this combination is well demonstrated in the poultry industry (10 direct discharge facilities operate Option 2.5 + P).

As discussed above, EPA is also considering nutrient removal cost-effectiveness when evaluating potential BAT options for this industry. EPA estimates the nutrient cost-effectiveness (based on pounds of phosphorus removed) for Option 2.5 + P to be \$5.78/pound phosphorus removed (incremental to BPT Option 2.5). EPA solicits comment on the potential selection of Option 2.5 + P as the basis of BAT for these subcategories.

EPA is also evaluating whether it should establish BAT equal to Option 2.5. Under this approach, the cost of the BAT limitations would be \$12.4 million (1999\$). Moreover, there are no facility closures (out of the 18 facilities analyzed) associated with the option under the primary closure analysis and one facility closure under the sensitivity analysis. BAT limitations based on Option 2.5, as explained above, would result in removal of 2.7 million pounds/year of ammonia as nitrogen and 27.7 million pounds/year of total nitrogen. The nutrient cost-effectiveness of Option 2.5 relative to BPT Option 2 would be \$0.27/pound total nitrogen removed. EPA solicits comment on the potential selection of Option 2.5 as the basis for BAT for these subcategories.

In its evaluation of effluent limitations guidelines for this subcategory, one option EPA is reviewing is the option not to establish BAT limitations. Section 301(b)(2)(A) of the CWA authorizes EPA to establish BAT limitations for categories of sources that limit discharges of toxic and non-conventional pollutants. In establishing BAT limitations, EPA considers a number of factors specified in the statute (*e.g.*, age of equipment and facilities, engineering aspects of various types of controls, non-water quality environmental impacts), including other factors deemed appropriate by the Administrator. Section 304(b)(2)(B). The bulk of the pollutant discharges from this category are conventional and non-conventional pollutant discharges, with no significant discharges of toxic pollutants. The non-conventional pollutant discharges from this category consist largely of nutrients. In certain cases, nutrients may represent a significant water quality problem for specific water bodies. Where necessary to protect local water quality, individual dischargers may currently be subject to water quality-based effluent limitations for nutrient discharges. EPA is evaluating whether it is appropriate to

establish national BAT limitations for this subcategory more stringent than BPT limitations or whether these nutrient discharges are more appropriately addressed on a case-by-case basis in individual permits based on applicable water quality standards. EPA will be examining data on water quality impacts from MPP facilities as part of its benefits analysis and specifically the extent to which such discharges significantly contribute to water quality impairments from nutrients. EPA requests comment on not establishing BAT limitations for these subcategories.

2. Subcategory K (Poultry Slaughterhouses)

This section describes the options EPA is considering for BAT for non-small facilities in the proposed Subcategory K. As discussed in Section IX.A, EPA is not presenting revised costs, pollutant reductions, and economic impacts in today's notice for small Subcategory K facilities; however, those results are presented in Section 21.1, DCNs 125803 and 126003 of the public record.

EPA proposed to establish the BAT level of regulatory control based on Option 3 (complete nitrification) for non-small facilities in this subcategory. As discussed in Section IX.A, EPA is now giving less consideration to Option 3. After review and evaluation of the revised and new data, EPA is considering establishing BAT for these facilities based on either Option 2.5, Option 2.5 + P, or Option 4. As with Subcategories A–D, discussed above, EPA is also considering not establishing BAT limitations for this subcategory.

EPA is considering establishing BAT for this subcategory based on Option 4. EPA estimates the pre-tax annualized compliance costs for Option 4 to be \$83.4 million (1999\$) (which is \$37.9 million more than Option 2.5 + P and \$67 million more than Option 2.5). EPA estimates that 7 facilities and 1 company will close as a result of BAT based on Option 4 under both the primary and sensitivity closure analysis. Note that these estimates only include the 34 estimated total facilities in this subcategory for which EPA has sufficient data to conduct the closure analysis. There may be additional closures in the remaining 84 facilities. The company level results are based on the analysis of 26 companies. While EPA does not have an estimate of the total number of companies operating facilities in this subcategory, EPA believes these 26 companies account for the majority of Subcategory K facilities (see Section X.A.2.c for further

discussion). As discussed in Section X, based on EPA's market analysis, the maximum projected price increase occurs under Option 4 but is less than 0.1 percent of baseline price for chicken and turkey. In addition, the domestic production of meat products, and therefore industry employment, is projected to decrease by about 0.04 percent under Option 4.

EPA estimates that Option 4 removes an additional 10.9 million pounds/year of nitrogen compared to Option 2.5 or Option 2.5 + P and an additional 534,000 pounds/year of phosphorus compared to Option 2.5 + P. In Subcategory K, there are 5 of 118 direct discharge facilities that currently operate with Option 4 pollution control technology (or more advanced technology).

As discussed above, EPA is also considering nutrient removal cost-effectiveness when evaluating potential BAT options for this industry. EPA estimates the nutrient cost-effectiveness (based on pounds of nitrogen removed) for Option 4 to be \$6.14/pound nitrogen removed (incremental to BPT Option 2.5). EPA estimates the nutrient cost-effectiveness (based on pounds of phosphorus removed) for Option 4 to be \$70.96/pound phosphorus removed (incremental to BPT Option 2.5 + P). EPA solicits comment on the potential selection of Option 4 as the basis of BAT for this subcategory.

EPA is also considering establishing BAT for this subcategory based on Option 2.5 + P. EPA estimates the pre-tax annualized compliance costs for Option 2.5 + P to be approximately \$45.5 million (1999\$) (which is approximately \$29 million more than Option 2.5). EPA estimates that no facilities (of the 34 facilities analyzed) and one company (if the 13 poultry companies analyzed) will close as a result of BAT based on Option 2.5 + P under either the primary or sensitivity closure analyses. EPA notes that the poultry company that is projected to close did not provide facility level financial information; therefore, the facilities owned by this company could not be analyzed. EPA estimates that Option 2.5 + P removes an additional 3.8 million pounds/year of phosphorus as compared to Option 2.5. In Subcategory K, there are 17 of 118 direct discharge facilities that currently operate Option 2.5 + P technology (or more advanced technology). EPA estimates the nutrient cost-effectiveness (based on pounds of phosphorus removed) for Option 2.5 + P to be \$7.61/pound phosphorus removed (incremental to BPT Option 2.5). EPA solicits comment on the potential