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OFFICE OF THE ASSISTANT SECRETARY
(INSTALLATIONS AND ENVIRONMENT)
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WASHINGTON, D.C. 20350-1000

MAR 16 2004

Water Docket
U.S. Environmental Protection Agency
Mailcode: MC-4101T
1200 Pennsylvania Ave., NW
Washington, DC 20460
Attention: Docket ID No. OW-2003-0074

SUBJECT: PRELIMINARY EFFLUENT GUIDELINES PROGRAM PLAN FOR
2004/2005; 68 FR 75515; 31 DECEMBER 2003;
DOCKET NUMBER OW-2003-0074

Dear Sir/Madam:

The Department of Defense (DoD) Clean Water Act Services Steering Committee, which represents the Departments of the Navy, Air Force, and Army, as well as several other Defense components and agencies, has reviewed the Preliminary Effluent Guidelines Program Plan for 2004/2005. Specifically, DoD is providing comment on the Environmental Protection Agency's (EPA's) plan to consider creating a new subcategory for petroleum bulk stations and terminals (PBSTs) under the Petroleum Refining point source category, Title 40 Part 419 of the Code of Federal Regulations (40 CFR Part 419). DoD recommends that EPA take into consideration the following comments:

Applicability of Part 419. The inclusion of the PBST industry as a subcategory of the existing Petroleum Refining Effluent Guideline under 40 CFR Part 419 may mislead PBST operators into believing that the PBST effluent guidelines apply to them only if they also operate a refinery. This is the implication of Part 419's heading. Moreover, all of the current subcategories under Part 419 involve the production of petroleum products, not the "wholesale distribution of crude petroleum and petroleum products from bulk liquid storage facilities" (the description given to "petroleum bulk stations and terminals" under the North American Industry Classification System (NAICS) code 42271). DoD recommends that EPA limit this subcategory to PBSTs located on petroleum refining facilities. If EPA does not concur with this recommendation, it should clarify the applicability of the proposed effluent guideline. If the guideline applies to PBSTs that are not associated with refineries, EPA should change the heading of Part 419 to reflect more appropriately the extent of its coverage or a separate effluent guideline should be established.

- Current regulatory requirements.* Current regulatory requirements are sufficient to protect water from pollutants associated with oil storage not associated with the production of petroleum products. DoD does not own or operate any petroleum refineries, but it does store and use oil in bulk, including as fuel supply for vessels, aircraft, combat, and tactical vehicles. Most DoD installations that store fuel in bulk

are subject to the oil spill prevention, control, and countermeasure (SPCC) regulations, 40 CFR Part 112, including requirements for SPCC plans and facility response plans, and to the underground storage tank (UST) regulations under the Resource Conservation and Recovery Act, 40 CFR Parts 280 and 281. In consequence, oil storage tanks on DoD installations must already meet requirements for inspections, monitoring, and secondary containment. Additional regulation under a subcategory of the Petroleum Refining effluent limitations guidelines intended to cover unintentional discharges would almost certainly be redundant with the existing SPCC and UST regulations, with no additional environmental benefit. As noted above, DoD therefore recommends that EPA limit its consideration of this subcategory to PBSTs located on petroleum refining facilities.

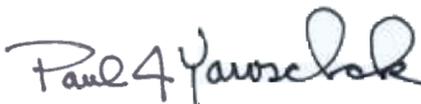
Additionally, the disposal method for wastewater and storm water from DoD facilities that store and use oil varies from facility to facility. In most cases, tank bottom water and tank cleaning water is hauled off site for treatment. Some tank bottom water is pretreated and then discharged to the sanitary sewer, and at a few facilities tank bottom water is treated at an on-site oily waste treatment plant. For the Navy, the majority of flow sent to these oily waste treatment facilities, however, is bilge water combined with a variety of other oily wastes. Storm water is also managed in a variety of ways at DoD facilities that store and use oil. Most berm water is discharged either directly after processing through an oil/water separator or after visual inspection. In some cases, storm water is discharged to the sanitary sewer under a pretreatment permit. In most cases, however, either a general permit or an individual industrial storm water permit regulates storm water from DoD facilities. Although the disposal method may vary from facility to facility, these facilities have storm water pollution prevention plans and best management practices in place to minimize pollution.

3. *Volume Thresholds.* DoD believes that a volume threshold of 10,000 gallons or more, which EPA may be considering as defining a PBST, is too low. Eastern Research Group provided a memorandum to EPA's Carey Johnston, entitled "Analysis of Discharge Data for Six Industry Categories," (dated 1 August 2003 and revised 5 September 2003, Document ID: OW-2003-0074-0489), which indicated that fuel storage in the amount of 10,000 gallons or more was considered bulk storage. The Standard Industrial Classification (SIC) code 5171 for PBSTs, however, does not define bulk storage or provide a volume threshold. NAICS code 42271, which identifies those PBSTs subject to Toxics Release Inventory reporting, includes only facilities that are primarily engaged in the wholesale distribution of crude petroleum and petroleum products from bulk liquid storage facilities. If EPA relies on a volume threshold for defining a PBST, it should consider a threshold of 50,000 or 100,000 gallons. Ten thousand gallons is often the size of an operational tank on a DoD facility, used to supply fuel to mobile vehicles and some mobile fuel tanks (in other words, they are basically gas stations for the military). Bulk storage occurs in much larger tanks. A 10,000-gallon threshold could subject large numbers of DoD's operational tanks to new, burdensome regulatory requirements.

In conclusion, given the presence of existing regulations and best management practices, DoD believes there is no need to create an additional regulation for PBSTs. Few of these facilities are direct dischargers of process waters, and storm water discharges are already adequately regulated. The cost of implementing additional storm water controls beyond the best management practices currently in place is not warranted.

Thank you for providing an opportunity to comment on the Preliminary Effluent Guidelines Program Plan for 2004/2005. If you have any questions, our point of contact for this issue is Mr. Scott Trembly at (703) 604-4203, or email at tracey.trembly@navy.mil.

Sincerely,



for Donald R. Schregardus
Deputy Assistant Secretary of the Navy
(Environment)

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