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DEPT. OF ENVIRONMENT AND NATURAL RESOURCES
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1 July 2019

Honorable ROY A. CIMATU
Secretary
DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES
DENR Compound, Visayas Avenue
Quezon City

Subject: Joint Position Paper on the 2016 Revised Effluent Standards

Dear **Secretary Cimatu**:

We are writing to jointly express our concerns on the implementation of more stringent wastewater discharge standards, or the Revised General Effluent Standards (GES), of the Department of Environment and Natural Resources (DENR).

The implementation of the revised GES will have a huge impact on the viability of existing companies and may pose a barrier to future investments without optimally addressing prevailing environmental issues. We as stakeholders, have written separate position papers on the subject and submitted our concerns to the DENR in 2018. Given that the prevailing issues have yet to be addressed, we are reiterating the main issues raised in past position papers which are as follows:

1. Request to review the revised GES and for a copy of the study which was the basis of the revision of the new and more stringent parameters. Allow us to cite some best practices for consideration:

The EU and the US EPA publish separate technical papers to provide the basis for revision. For example, the EU Priority Substances are reviewed based on three main areas of risk assessment (RA). First area is on RA of chemicals, pesticides and biocides under existing EU regulations. Second area is RA focusing on aquatic ecotoxicity and human toxicity of the aquatic environment and finally, a simplified RA based on scientific principles taking into account evidence of intrinsic hazards, evidence of widespread contamination, production volume and use patterns¹. On the other hand, the US EPA, through Section 304 (a) (1) of the Clean Water Act considers the degree of effluent reduction attainable through the application of best practicable control technology in coming up with the chemical, physical and biological water quality criteria. The US EPA includes a separate section on the Water Quality Standards Handbook that describes the procedure for review and revision of the water quality standards¹¹

We thus would like to be enlightened on the basis of the revised GES.

2. The revised Philippine standards is considered to be one of the strictest in the world, some of the parameters for discharge are more stringent than the drinking water standards of the World Health Organization (WHO);
3. Significant effluent quality parameters are prescribed for each industry based on the PSIC code, some new or additional parameters are not being used as inputs or process materials in production for a particular industry and thus, will be automatically absent in the waste

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stream. However, the requirement for exclusion of testing the new parameter in the waste stream is ten (10) monitoring events at method detection level (MDL). The exemption requirement will be unjust and costly. In addition, some of the standards for the parameters are not yet available in local testing laboratories;

4. Individual discharge permit and submission of separate Compliance Action Plan (CAP) is being required from those who are already connected to a centralized wastewater treatment plant (CWTP). The individual DP requirement will add to the cost of compliance since CWTP owners already charge individual locators for the cost of treatment of the wastewater and discharge permit of the CWTP. In addition, the Clean Water Act and its implementing rules and regulations also clearly state that the discharge permit is applicable to those who are directly discharging to a body of water or land;
5. There is lack of guidance on best available technology to assist the regulated community in making an informed decision. Conservative estimates of retrofitting to achieve treatment within the prescribed effluent standards is at least \$ 1 Million for a typical wastewater treatment plant (WTP). Considering the substantial capital expenditure to retrofit, the five (5) year grace period to upgrade the WTP is not sufficient; and,
6. Retrofitting will also impose higher operational costs because of use of more chemicals and higher electricity cost because of longer aeration for aerobic systems. If the new or more stringent parameters are not rationalized with the effluent standards of our ASEAN neighbors, the cost of production will be higher in the Philippines, thus, greatly affecting our competitiveness in the world market.

In addition, since there is no exemption on the implementation of the new standards, this will be applicable to domestic sources (e.g. condominiums, villages, homes), government offices and commercial establishments irrespective of capitalization and volume of discharge. Without an adequate institutional mechanism to enable compliance of facilities with no access to WTP, or with WTPs designed using the old discharge standards, the environment issue will not be addressed. Instead, affected industries, domestic sources, government offices and commercial establishments will just be issued with Notices of Violation (NOVs) or ordered to close down through a Cease and Desist Order (CDO) by the DENR.

It is noteworthy that the more stringent standards under the Revised GES is not without associated consequences. Whilst the intention is to elevate the quality of wastewater discharge, the revised standards will, as a natural consequence, result to the generation of additional sludge volume. This is because to date, chemical precipitation and coagulation / flocculation are still the most widely used method to effectively remove heavy metals from industrial wastewater. A rough estimate by one of the PEZA locators is the generation of additional 20.3 tonnes of sludge per day – and this is only for that one PEZA locator. In turn, aside from concerns on a further increase of operational costs to find treaters that can accommodate the additional sludge volume, there is the more important environmental concern on landfill availability. Sadly, it is respectfully submitted that, the objective sought by the Revised GES might lead to a catch 22 situation – whereby, to further clean the wastewater discharge to comply with the new standard, more waste in the form of chemical sludge from wastewater treatment would be generated that could pollute the environment.

With standards that are multiple times higher than clean water requirements from WHO and the EPA, and the likelihood of creating worse pollutants as byproducts of the cleaning process, the resulting costs of reaching these extremely steep and problematic standards will inevitably reduce the competitiveness of the Philippine industry, including manufacturers such as semiconductors who already face a challenging international trade environment.

We have met with the DENR Environmental Management Bureau and relevant officials from the Environment Quality Division and Pollution Adjudication Board in several and separate occasions to raise the issues in the hope of coming up with a mutually beneficial arrangement but to no avail. We, were unable to elicit a response to our position papers.

We thus, appeal to the DENR to suspend the implementation of the revised GES until such time that a thorough review of the standards and basis for the revision has been done together with the stakeholders. We are open to discuss the above points in more detail, if necessary.

Very truly yours,




MR. EBB HINCHLIFFE
Executive Director
American Chamber of Commerce of the Philippines



MR. TAKASHI KAWANO
President
Cavite Export Zone Investors Association



MR. GIL ABAQUIN
President
Eco-Industrial Exchange Network



MR. REY UNTAL
President
Information Technology and Business Process
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MR. KEIICHI MATSUNAGA
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CC: DTI Secretary Ramon M. Lopez
ARTA OIC Ernesto V. Perez

¹ Technical Background accompanying the report from the Commission to the European Parliament and the Council on the outcome of the review of Annex X to Directive 2000/60/EC of the European Parliament and of the Council on priority substances in the field of water policy - Commission Staff Working Paper <http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52011SC1544>

² US EPA Water Quality Standards Handbook. Chapter 6. <https://www.epa.gov/sites/production/files/2014-09/documents/handbook-chapter6.pdf>