

Source	Barrier	Occurs When	Who Makes The Decision
<b>Regulatory/Legal</b>			
EPA	Existing TMDLs are not a sufficiently strong driver – point sources in some watersheds negotiated WLA so high that onsite treatment is still cost effective	Drafting of TMDL	State Clean Water Agency
EPA	EPA lack of flexibility on permitting, particularly with regard to flexibility in meeting compliance schedules	Drafting of NPDES permit	EPA
EPA	Lack of regulatory drivers, particularly TMDLs	Ongoing	State Clean Water Agency
EPA	Legal constraints of trading in cross-boundary watersheds for example neighboring state has a different definition of what constitutes a "credit" or has no policy for WQT	Ongoing	EPA
NNWQT	TMDLs with unrealistic expectations about NPS are not productive and can discourage trading	Drafting of TMDL	State Clean Water Agency
NNWQT	EPA guidelines are unclear	Ongoing	EPA
NNWQT	Litigation from environmental groups	Ongoing	
NNWQT	CWA lacking provisions for WQT as a source of legal uncertainty	Ongoing	Congress
<b>Technical/Physical</b>			
EPA	Surface waters are complex biological systems with too many factors that point sources cannot influence, undermining the perceived reliability of trading	Ongoing	
EPA	Technical barriers in measuring pollutant releases and reductions and converting measurements into appropriate credits, accounting for uncertainty	Ongoing	State Clean Water Agency
NNWQT	Not focusing trading efforts on the places that need it, more on the places that want it and often in place of the stringent limits that would drive demand	Ongoing	State Clean Water Agency/ Watershed stakeholders
NNWQT	Lack of definitive evidence that NPS efforts can fix a watershed	Ongoing	State Clean Water Agency
<b>Financial</b>			
EPA	Challenges associated with estimating program cost/ cost savings, particularly if there isn't specific information on what will be required	Utility considering trading in facilities plan or CIP	Utility Engineering or Operations Manager
EPA	Lack of state funding to support innovative permits or TMDL completion	Ongoing	State Clean Water Agency
EPA	Formula for Clean Water State Revolving Fund eligibility encourages traditional removal technologies that may be less cost-effective than trading	Ongoing	State Clean Water Agency /EPA
EPA	High start-up costs	Ongoing	
EPA	Ongoing financial and administrative burdens for entity implementing the program	Ongoing	
<b>Partnerships</b>			
EPA	Lack of obvious NPS trading partners in urban/residential areas	Utility considering trading in facilities plan or CIP	
NNWQT	Lack of agents between point sources and producers to recruit and track credits	Utility considering trading in facilities plan or CIP	
NNWQT	Mistrust between producers and regulatory agencies	Ongoing	
NNWQT	No easy way for states to learn what's working and what's not from one another	Ongoing	
<b>Institutional</b>			
EPA	Lack of senior-level champion, particularly at the agency level	Drafting of TMDL, drafting of NPDES permit	State Clean Water Agency
EPA	EPA support for WQT and interpretation of key trading program elements (e.g. quantification methods) varies by office, particularly between national and regional offices	Drafting of TMDL, drafting of NPDES permit	EPA
EPA	EPA lack of familiarity with WQT practice leads many permittees to be more inclined to point out legal vulnerabilities of approach rather than think creatively how to make it work	Drafting of TMDL, drafting of NPDES permit	State Clean Water Agency / EPA

Barriers to Demand for WQT identified by NNWQT Steering Committee and 2008 EPA WQT Program Evaluation

EPA	Cultural inertia in state permitting agencies creates a barrier to exploring new options	Drafting of TMDL, drafting of NPDES permit	State Clean Water Agency / EPA
EPA	Lack of understanding of the rules of trading, authority to conduct trades, and mechanics of permitting across sectors	Drafting of TMDL, drafting of NPDES permit, state and federal policy development	State Clean Water Agency / EPA
EPA	Reluctance for point sources to rely on outside party to achieve compliance when they are liable for the reduction, even if onsite reduction is more expensive	Utility considering trading in facilities plan or CIP	Many
NNWQT	Point sources have engineering mindset	Utility considering trading in facilities plan or CIP	Many
NNWQT	Draining of institutional knowledge (e.g. Idaho "forgot" they could do trading)	Ongoing	Many
NNWQT	Concerns from ag about land being taken out of production - misinformation/misunderstanding	Ongoing	Agricultural Community
NNWQT	States lack technical skills and enthusiasm for trading	Drafting of TMDL, drafting of NPDES permit	State Clean Water Agency
<b>Programmatic</b>			
NNWQT	Sequencing of permit cycle and TMDL out of sync	Drafting of TMDL, drafting of NPDES permit	State Clean Water Agency / Utility Engineering or Operations Manager
NNWQT	Narrow definition of WQT or markets limits potential to take advantage of successful market-type mechanisms	Ongoing	State Clean Water Agency / EPA