

WHY THE SUPERFUND PORK BARREL DESERVES A VETO

As Congress prepares for the October recess, lawmakers have just rushed through a \$9 billion Superfund reauthorization bill. Although its defenders try to present the Superfund reauthorization as decisive action by Congress to address a matter of urgent national importance, the legislation is in fact one of the worst examples of budget-busting pork barrel politics in recent history. And in their haste to create this lucrative source of local public works projects, lawmakers have also established a whole new category of business "surtaxes" designed to raise over \$2.7 billion, and a further \$2.75 billion in taxes on the hard-pressed petroleum industry. It is hard to imagine a bill more deserving of a presidential veto than this ill-considered measure, which has much to do with narrow political interests, and very little to do with the public interest.

Although there is a general consensus on the need to have the federal government assist in the clean-up of abandoned hazardous waste sites, there are in fact only a very small number of toxic waste dumps that pose an urgent and expensive problem. Yet the proponents of the legislation give the impression that the whole country is awash with dangerous chemicals, dumped by unknown polluters. In fact, in most instances the parties responsible for the hazardous wastes are known, and can be required to spend their own money to ensure that the wastes do not leak into the environment--in accordance with the "polluter pays" principle which traditionally has guided environmental policy in the United States. The new Superfund bill, however, would abandon this longstanding and just concept and tax corporations as though all were guilty.

The Environmental Protection Agency has testified before Congress that it could not efficiently spend the money Congress wants to give it. There simply are not enough engineers, construction firms with appropriate skills, and scientists to manage such enormous outlays. That means the program is destined to result in waste and abuse--a sad

testament to the lack of congressional determination to control public spending.

The pork barrel nature of the legislation is enhanced by the vague definitions it employs in determining just which sites would qualify for Superfund financing. The terms "abandoned" and "hazardous" are defined in a way that makes their meaning open to broad interpretation. This means that any state or local government wishing to avoid the costs of finding a polluter or of cleaning up a local dumpsite would have the incentive simply to declare the dump an "abandoned hazardous waste site" and lay claim to "free" federal money. Thus the bill would discourage the decisive local action needed to end the general problem of hazardous dumps.

The new bill would also create a dangerous precedent by establishing several new taxes to finance the pork barrel program. Among the worst is a profits and earnings tax, which would be assessed on most manufacturing firms. The tax is expected to raise \$2.7 billion initially, by providing a new mechanism to extract money from American corporations, adding to the corporate tax burden imposed under the new tax law. But it would also open the door to future tax increases to finance additional spending projects. Moreover, Superfund taxes on the petroleum industry would rise over a five-year period from the current \$200 million to \$2.75 billion. As part of this tax increase, the bill would impose an oil import duty.

Despite the attempts of Superfund extension proponents to portray a veto as an attack on the environment, it would in fact be a blow against the pork barrel disguised in environmental clothing. The President should make clear to the Congress that he will not give in to their attempts to blackmail him by portraying the Administration as anti-environment. He should not hesitate to veto the bill, and issue a public demand that Congress come back instead with a bill more in keeping both with his earlier \$5.3 billion request and with the true dimensions of the problem.

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For further information:

"Toxic Superfund Waste," The Wall Street Journal, October 7, 1986.

Milton R. Copulos, "The Many Hazards of a Mega-Superfund," Heritage Foundation
Background No. 440, June 10, 1985.