

## THE SUPER PROBLEMS WITH SUPERFUND EXTENSION

In an election year rush to judgment, the House of Representatives recently passed legislation (H.R. 5640) to extend the so-called "Superfund" program for cleaning up toxic waste dumps. Similar legislation (S. 2892) is currently being marked up in the Senate. In both versions of the bill, however, Congress goes far beyond the original "Superfund" concept--cleaning up abandoned dumps--raising the prospect of increased federal regulation, new tax increases for an already overburdened public, a major blow to the U.S. petrochemical industry, and yet another congressionally mandated wealth transfer from the South and Southwest to the Northeast. Worst of all, in adding all of these new and onerous elements to the Superfund program, the legislation threatens to erode existing public support for the worthwhile goal of cleaning up toxic wastes.

Among the most serious problems with both Superfund extension bills are provisions that create open-ended obligations for the Treasury. Yet these new requirements are not even linked to the cleanup of abandoned toxic waste sites. One provision requires the federal government to replace any water treatment system found to be contaminated by the release of toxic materials. This could mean the federal government, through Superfund, will have to replace systems contaminated by active industrial facilities, or even natural sources.

A second open-ended provision would require the federal government to buy out homes that fall in value because of a toxic waste release. As with the water treatment provision, this buy-out need not be linked to the existence of a toxic waste dump--merely to a release of a substance. So a spill from a tanker, or from an industrial facility, could trigger a run on the federal fund. While the costs of this provision are impossible to quantify, they could prove to be enormous.

It is known, however, that the revenues projected to be raised in the Senate's version of the bill will not come close to paying for these provisions. Additional funds for the Superfund are to be raised through a levy on crude oil and petrochemical feedstocks, expected to bring in between \$4 and \$9 billion. Environmental Protection Agency (EPA) estimates of the cost of the new measure, however, range from \$9 billion to \$14 billion over a period of five years. So there could be more than a \$5 billion funding gap--meaning additional taxes will be needed.

Moreover, the new bill brings underground storage tanks into the scope of Superfund. This means the amended cleanup program would include commodities such as gasoline, home heating oil and diesel fuel. This would extend the federal government's reach into every gasoline station, farm and refinery in the country.

Another problem with the bill's funding provisions is that the levies will fall disproportionately on the South and Southwest. Senator Lloyd Bentsen (D-TX) estimates Texas alone will shoulder half the tax burden. Yet most of the benefits from the program will flow to the industrial Northeast, creating a massive wealth transfer between regions.

The original Superfund bill required EPA to present to Congress by December 1984 the results of several studies concerning the program's needs. Congress was scheduled to act on the results of these studies and reauthorize Superfund, if needed, by October 1985. In moving precipitously to reauthorize the law now, Congress is taking action before all of the information is available to determine what is actually needed. The hasty action seems to have more to do with election year politics than any genuine concern for a critical environmental issue.

Finally, tax provisions of the proposal threaten to hamstring the U.S. petrochemical industry. Already working on razor thin profit margins, U.S. manufacturers must be able to compete with products from nations with far lower labor and materials costs. In many cases, an additional tax burden would drive firms out of business, meaning the loss of hundreds of thousands of jobs, billions of dollars to the U.S. economy, and increased dependence on foreign sources of supply.

The legislation could even hinder the main task of cleaning up toxic wastes. By diverting scarce scientific and engineering talent to problems not directly attributable to toxic waste cleanup, such as leakages from underground storage tanks or non-waste related toxic spills, the bill means the cleanup of hazardous waste dumps inevitably will be delayed.

Both the House and Senate versions of the Superfund reauthorization bill constitute premature action taken largely because of the election year. The issue is too important to be addressed in this politically charged environment. The measure should be set aside until more careful deliberations can take place.

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For further information:

"Senate Proposes Superfund Victim Insurance System," Inside E.P.A., July 6, 1984.  
Paul T. Langerman, "Ten Caveats on Toxic Torts," Heritage Issue Bulletin No. 97, September 6, 1983.  
Louis J. Cordia, "'Superfund' Legislation," Heritage Issue Bulletin No. 64, September 17, 1980.