

waste." GAO examined EPA's concerns and those of many other stakeholders and agreed with EPA's assessment.

The portion of the RCRA law that we are concerned with is that which directs cleanup of properties contaminated with hazardous waste. That portion affects far more than the more than 5000 "RCRA permitted sites" plus most of the Superfund sites. Indeed, the current RCRA cleanup program also affects many state cleanups, including those at "brownfields sites," brownfields are abandoned, idled or under-used industrial and commercial facilities where expansion or redevelopment is complicated by real or perceived environmental contamination. EPA estimates there may be as many as 450,000 of these sites. As brownfields redevelopment activities have increased, it has increasingly come to our attention that the hazardous waste management and permitting requirements under RCRA either preclude the development of some sites altogether or significantly increase the time and cost of redevelopment. In fact, EPA has stated that, ". . . RCRA requirements, written with end of pipe wastes in mind, may be unnecessarily burdensome when applied to brownfields cleanups."

Let's review some of the legislative record on this issue. First, the cleanup contractors who clearly want to see more remediation activity have stated "the environmental cleanup industry faces significant impediments to implementing innovative, cost-effective solutions due to the strict permitting, treatment and disposal requirements imposed by RCRA on remediation wastes."

The State agencies which run voluntary cleanup and brownfields programs have stated: "As State Waste Managers who administer the RCRA programs, we have long recognized the need for significant reforms to the procedures by which sites are cleaned up under RCRA. Contaminated media is currently regulated by RCRA to the same degree as the "as/generated/process wastes". This is inappropriate and often leads to many environmentally undesirable impacts such as a preference for leaving wastes in place rather than treating or removing the wastes and/or unnecessary delays due to permitting requirements."

EPA has written in 1997: "While the agency has not endorsed any specific regulatory proposal, we continued to believe reform to application of RCRA requirements to remediation waste, especially RCRA land disposal restrictions, minimum technology, and permitting requirements, if accomplished appropriately could significantly accelerate cleanup actions at Superfund, Brownfield, and RCRA Corrective Action sites without sacrificing protection of human health and the environment.

Just late last year, EPA had attempted one more time to provide some of the needed regulatory flexibility with the issuance of the Hazardous Waste Identification Rule (HWIR). We applaud the agency for those efforts. Unfortunately, that rule was litigated and is under settlement discussion. Remediation waste and newly generated wastes are completely different issues and should be treated differently.

Even if EPA's efforts at a settlement are successful and maintain the flexibility needed to encourage cleanup, it will take the agency over two years to implement the changes and even then the new rule would be subject to lawsuit—again introducing uncertainty. Furthermore, the HWIR did not address all of the

issues that EPA itself admitted need to be addressed to remove barriers to cleanup.

I rise today to say that we have heard the concerns of those who want to cleanup those waste sites, but have been deterred by the barriers in the law. I am pleased to announce that Congressman Towns and I have introduced the Brownfields Remediation Waste Act of 1999. This reflects a bipartisan desire to help fix some of the problems posed by RCRA to increase the number of Brownfields cleanups.

Fundamentally, this bill allows EPA to treat remediation waste differently from generated process waste. This bill also clarifies and provides the authority for the so-called "corrective action management units." The EPA rules now in place are recognized as satisfying the requirements of this clarified authority, and any future regulatory changes will benefit from a EPA study of real world problems encountered while implementing these rules.

The bill also corrects some limitations by providing that staging piles and temporary units may be used at off-site locations, owned or operated by the persons engaged in remediation at the first location. This will be helpful in consolidating and managing wastes away from the urban sites where they are currently found.

A large part of the success of remediation waste management reform, including the EPA rules and this legislation, depends on the States assuming this authority and having the flexibility to tailor these authorities in connection with their own remediation programs; whether operated under RCRA or otherwise. This bill harnesses the innovation of these programs while requiring submission and approval of provisions implementing remediation waste requirements by EPA. EPA's current authorization, as it relates to remedy selection decisions in state programs themselves, would remain the same.

We look forward to bipartisan suggestions to improve this legislation and to doing our part to help those pursuing Brownfields and other remediation efforts.

INTRODUCTION OF LEGISLATION TO REAUTHORIZE THE CLEAN WATER STATE REVOLVING FUND

HON. SUE W. KELLY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1999

Mrs. KELLY. Mr. Speaker, I rise today for the purpose of introducing legislation to reauthorize one of our most important environmental infrastructure programs. The Clean Water State Revolving Fund (SRF) was created by Congress in 1987 to enhance the federal government's effort to achieve the Clean Water Act's objective of restoring and maintaining the integrity of our nation's waters. The program was enacted out of the need for a funding mechanism which allowed the federal government to be responsive to the nation's considerable wastewater infrastructure needs, and also afforded states a necessary degree of flexibility in addressing their own particular needs. Since implementing the SRF, Congress has appropriated nearly \$16 billion to states, who in turn have been able to provide nearly \$24 billion in loans for wastewater infra-

structure maintenance and construction. The impact of this investment on the livability of our communities is immeasurable. In his testimony before the House Subcommittee on Water Resources and Environment, New York Governor George Pataki reflected on the benefits brought to his state by the SRF program, calling it "the most successful federally sponsored infrastructure financing program ever."

Mr. Speaker, the time is now that we act to ensure a stable federal funding source that attempts to reflect state and local needs. The authorization for this program expired in 1994, leaving it susceptible to the whims of the budget and appropriations process. As evidence of this, one need only look at the President's proposal for the SRF in the FY 2000 budget. If enacted, his proposal of \$800 million would amount to a \$550 million cut compared to the enacted FY 99 level of \$1.35 billion. A significant cut such as this would be particularly problematic at a time when the need for this investment is enormous. The Environmental Protection Agency estimates that in the next 20 years the country faces wastewater infrastructure needs of more than \$139.5 billion, a figure acknowledged by most to be a conservative estimate. These documented needs exist in rural and urban areas in every state. The expense to our environment and the taxpayers will only increase the longer we procrastinate in addressing these needs.

We need to demonstrate a strong commitment to safe and livable communities. I feel this legislation marks an important stride in this effort. I would like to thank my good friend and colleague, Representative ELLEN TAUSCHER of California, for her assistance on this legislation, and I certainly hope that our colleagues will join us in the effort to reauthorize the Clean Water State Revolving Fund.

THE BROWNFIELDS REMEDIATION WASTE ACT OF 1999

HON. MICHAEL G. OXLEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1999

Mr. OXLEY. Mr. Speaker, today, along with Mr. Towns, the distinguished ranking member of the Subcommittee on Finance and Hazardous Materials, I am introducing H.R. XX the Brownfields Remediation Waste Act of 1999. This Act reflects a bipartisan effort that will do a number of things to improve the Nations' cleanup program and, most important, remove barriers and disincentives that have been problems for Brownfields and voluntary cleanup programs in all States.

These problems were not fully understood or thought through when Congress passed the 1984 Amendments to the Resource Conservation and Recovery Act (RCRA). We should not let broken legislation stand in the way of remediation activities. Overall, the bill will remove barriers and disincentives and tap the expertise of EPA and state programs to tailor effective solutions without the straightjacket that has inhibited actions for 15 years. We have worked on this bill with the input of State agencies and the cleanup contractors, both of whom want to see more remediation activity.

The brownfields problems has many sources and many proposals to help bring

new life to these areas. Brownfields, loosely defined as abandoned or underutilized former industrial properties where actual or potential environmental contamination hinders redevelopment or prevents it altogether. The U.S. Environmental Protection Agency ("EPA") estimates that there may be as many as 450,000 such sites nationwide.

This epidemic poses continuing risks to human health and the environment, erodes States and local tax bases, hinders job growth, and allows existing infrastructure to go to waste. Moreover, the reluctance to redevelop brownfields has led developers to undeveloped "greenfields," which do not pose any risk of liability. Development in these areas contributes to suburban sprawl, and eliminates future recreation and agricultural uses.

In the view of many, Federal law itself can be a culprit. The fundamental flaw in RCRA that hinders cleanup is that the law was primarily designed to regulate process wastes, not cleanup wastes. As a result, the law requires stringent treatment standards, usually based on combustion, for most wastestreams; establishes lengthy permit requirements; and otherwise presumes that process wastes are continuously generated and disposed of at an ongoing manufacturing facility. RCRA's requirements are awkward, expensive, and hinder and prevent cleanup.

EPA has stated: ". . . EPA has long believed that changes in the application of certain RCRA requirements to remediation waste are appropriate. While the Agency has not endorsed any specific legislative proposal, we continue to believe reform to application of RCRA requirements to remediation waste, especially RCRA land disposal restrictions, minimum technology, and permitting requirement if accomplished appropriately, could significantly accelerate cleanup actions at Superfund, Brownfield, and RCRA Corrective Action sites without sacrificing protection of human health and the environment."—Letter from Michael Shapiro, Director, Office of Solid Waste, U.S. EPA to Doug MacMillan, Executive Director, Environmental Technology Council dated January 27, 1997.

"Perhaps the largest expense of RCRA is the enormous cleanup costs associated with the corrective action program. Although the RCRA corrective action cleanups could have been limited to address failures of the RCRA prevention program for as-generated wastes, Congress drafted the statute more broadly to capture old, historic wastes as well. RCRA corrective action and closures, state cleanups, CERCLA actions and voluntary cleanups often involve one-time management of large quantities of wastes. Under RCRA, management of these wastes may trigger obligations to comply with RCRA procedural and substantive requirements. For example, RCRA permits may be required for voluntary cleanups or state cleanups. Obviously this could seriously delay cleanups and dramatically increase their costs."

In addition, RCRA substantive standards are designed primarily for wastes generated from ongoing industrial processes and may not fit well in remedial situations. For example, requirements for pretreatment of cleanup wastes may foreclose other cost-effective yet protective cleanup options. . . ."—Don Clay, Assistant Administrator U.S. EPA before the House Committee on Transportation, March 10, 1992.

State cleanup agencies have also noted these problems: "At some voluntary sites, on-

site management of contaminated soils triggers the application of RCRA management requirements. While volunteers should use best management practices and comply with RCRA for offsite management of soil, meeting RCRA requirements onsite only serves to increase costs without providing any commensurate benefits to the cleanup."—Don Schregardus, Director Ohio, EPA, February 14, 1997.

". . . The objectives for site cleanups versus ongoing hazardous waste management differ markedly. The RCRA Subtitle C hazardous waste regulatory framework is designed to ensure the long-term safe management and disposal of as-generated hazardous wastes (sometimes termed "Process wastes"). RCRA Subtitle C is a prevention-oriented program containing many detailed procedural (permitting) and substantive requirements (land disposal restrictions and minimum technology requirements). Conversely, the objective of site cleanups is to achieve an effective, environmentally protective solution to existing contaminated sites. For this reason, application of RCRA Subtitle C requirements to wastes that have already been released to the environment (i.e. contaminated media) can, in many cases, increase costs and delay site remediation efforts without significant environmental benefit."—Catherine Sharp, Environmental Programs Administrator, Waste Management Division, Oklahoma department of Environmental Quality, on behalf of the Association of State and Territorial Waste Management Officials before the House Committee on Commerce Transportation and Hazardous Materials on, July 20, 1995.

Indeed, State cleanup agencies have asked to make this legislation a priority and the legislation builds and principles adopted by the National Governors Association.

Cleanup contractors have also asked us to pursue this legislation: "The Hazardous Waste Action Coalition (HWAC) the association of leading engineering, science and construction firms practicing in multimedia environmental management and remediation, strongly encourages [Congress] to make RCRA legislative reform a top priority . . . to [produce] a sound bipartisan approach to removing impediments under RCRA. . . . For example, RCRA's land disposal restriction requirements can completely eliminate many technically practicable remedies from even being considered. HWAC strongly believes that only legislative reform of RCRA [will] remove this and other disincentives to cleanup of RCRA contaminated waste sites."—Letter from the Hazardous Waste Action Coalition dated January 6, 1998.

Clearly the Brownfields Remediation Waste Act of 1999 addresses a real set of problems. The bill is tailored to do a number of things to address these problems. First, the bill provides EPA new authority to tailor regulations for the management of remediation wastes from brownfields, voluntary, State and other site cleanups without applying the often rigid and inappropriate regulations designed for newly generated process waste—thus, allowing EPA to remove barriers to fast and efficient cleanups. Second, the Act shields EPA's recent common-sense regulations concerning remediation wastes from unnecessary and disruptive litigation. Third, the bill will provide needed flexibility for offsite remediation waste management units. Finally, the Act allows State programs, subject to EPA review and ap-

roval, to run protective remediation waste programs tailored to their brownfields, voluntary response or other programs.

Mr. TOWNS and I are interested in all bipartisan suggestions for improvement and seek your support.

THE AMERICA'S PRIVATE INVESTMENT COMPANIES ACT

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1999

Mr. LAFALCE. Mr. Speaker, today, on behalf of myself and a number of House Members, I plan to introduce the America's Private Investment Companies Act. This legislation, also known as APIC, is part of the Administration's broader New Markets Initiative, which includes separate legislation to provide tax credits for investments in APIC's and other community development entities, and to expand small business lending in low- and moderate-income communities.

After seven years of strong economic growth and job creation, the unfortunate truth is that many urban areas, mid-sized cities, and rural areas are not fully participating in our economic prosperity. Despite strong income and wage growth for many Americans, millions of Americans still don't have access to jobs which pay decent wages. APIC is designed to harness the private sector to revitalize distressed low-income communities, and to create jobs and economic opportunities for those individuals who are being left behind.

Under the bill, the Secretary of HUD is authorized to licensing a number of newly created America's Private Investment Companies [called APIC's] each year, and to guarantee debt for these APIC's. In turn, these newly created APIC's will be required to invest substantially all of the funds raised through such debt in businesses operating in low-income communities.

In order to be eligible for APIC certification and for federal loan guarantees, an applicant must be a for-profit community development entity, which must have a primary mission of serving or providing investment capital for low-income communities or low-income persons, and which must maintain accountability to residents of low-income communities. The applicant must have a minimum of \$25 million in equity capital available to it. Finally, the applicant must have a statement of public purpose, with goals that at least include making qualified investments in low-income communities, creating jobs that pay decent wages to residents in low-income communities, and involving community-based organizations and residents.

Under the legislation, HUD is authorized to guarantee \$1 billion in debt each year for the next five years for an estimated ten to fifteen new APIC's each year. For every \$2 of debt that the government guarantees for an individual APIC, that APIC must have at least \$1 in equity capital, which is at risk of loss ahead of the federal guarantee. As a result, at \$7.5 billion in additional low-income community investments will be generated over the next five years. Yet, the cost of the combined credit subsidy and administrative cost is only \$37 million a year.