

The program, as I indicated this morning, had initially been intended for, and so designed, as to be used largely by the smaller cities, or at least those up to the standard metropolitan statistical area size, and continued in that vein from its inception in 1957 to the amendment in 1966.

I think one of the things we need to remember is that the plants that have been constructed during this period are not going to be subject to reconstruction at this stage in time. They may require expansion. But certainly it was not intended in the course of developing this legislation to cut off the needs of the smaller community. Because the initial statute, until 1966, did make the program less attractive to the larger metropolitan areas, and because the problem of municipal waste treatment facilities is concentrated where the people are, there was some feeling that we should accelerate the availability of these funds for the metropolitan areas.

Now, one of the questions, quite frankly, that has not been raised, and to which we have given some attention since this particular issue was raised, was the fact that within standard metropolitan statistical areas—this is particularly true in the chairman's home State—there are quite often cities of smaller size than the 125,000 or other than the 50,000. And certainly in terms of achieving an adequate waste treatment system, on a basis broader than one city, the intent was in these standard metropolitan statistical areas, to provide the smaller communities assistance as you would the major city within that standard metropolitan area.

I want to emphasize again there was no intent here to cut off the needs of smaller communities.

Mr. DENNEY. As a matter of fact, though, the Secretary asked for a contract guaranteed bond arrangement, so that unless it is a metropolitan area, the chances are that the smaller communities will not be able to finance the matter. So they will have to go to their program, will they not, and not having adequate financing, then that program will slow down?

Mr. MOORE. In terms of the ability of the local community to finance, however, the financial responsibility which they have to demonstrate is the capability to pay off the non-Federal share. They do not have to demonstrate capability to pay off the full cost. And in any event, whether it is done through a system of sewer charges or whether it is done through a system of tax funds, they have to demonstrate the financial capability to then pay that off if they are following anything other than a cash payment for the project. Chances are that it will be done by some system of debt financing in any event, either by tax revenues or by a system of charges.

GRANT ASSISTANCE CUTOFF FOR FAILURE TO SUBMIT NONDEGRADATION
STATEMENT NOT DIRECTED

Mr. DENNEY. Do you know, it has come to my attention that some people feel that they were told to advise the Water Pollution Control Council of the respective States that unless they have by July 1, 1968, a provision in there referring to the nondegradation statement that the Secretary is insisting upon, there would not even be any grant-in-aid programs for them?

Mr. MOORE. Well, there has been no such instruction issued.