

Frustrating questions such as these make today's program timely and valuable. I appreciate the opportunity to discuss with you the question of "Tax Incentives for Industrial Waste Treatment Facilities."

The *best* incentives that could be provided would be the establishment of meaningful and reasonable water quality standards and the adoption of a realistic timetable for their implementation. These are the objectives of the Water Quality Act of 1965 as set forth in the Congressional Committee reports and the floor debate which accompanied the passage of the Act. Unfortunately, recent evidence suggests some state and interstate water quality standards approved by the Secretary of Interior include requirements which would bypass the water quality criteria defined at the public hearings.

When Congress enacted the Water Quality Act of 1965, it delegated to the Secretary extensive authority to implement a program that would assure the adoption of meaningful and effective state water quality control programs. The purpose of these state programs is to "enhance the quality and value" of our interstate water resources for the benefit of the "public health and welfare." It was the quality of the waters of the nation that was of concern to the members of Congress. Unfortunately, it appears as if the Secretary of Interior is more interested in requiring secondary treatment of all waste waters, as a matter of policy, irrespective of quality requirements.

In many instances, the difference between primary and secondary treatment will not be significant to the receiving waters. In such cases, it is poor public policy to require the additional cost of secondary treatment. Treatment for treatment's sake is a luxury we cannot afford when we are confronted with a war in Viet Nam, slums, unemployment, and a multitude of domestic problems, plus a hungry world.

On August 9, 1967, Secretary Udall appeared before the Senate Public Works' Subcommittees on Air and Water Pollution to relate the progress of the Federal water pollution control effort. In discussing the approval of state water quality standards, he remarked:

"The most significant single thing about the standards that I have approved is that they call for a minimum of secondary treatment for all municipal wastes and a comparable degree of treatment for industrial wastes."

November 8, on behalf of the National Chamber, I wrote to Assistant Secretary for Water Pollution Control, Frank C. DiLuzio, and asked if he would clarify those remarks so the business community could make appropriate plans. Our letter stated, "The interpretation of the phrase 'comparable degree of treatment' has caused much concern in the business community. Does this phrase imply the actual construction of a secondary treatment facility? Does it imply that an industrial waste effluent should have a quality as high as an effluent from a municipal secondary treatment plant? Does this phrase imply a certain percentage reduction of waste load regardless of the quality of the receiving water body?"

Unfortunately, I have not received an answer to that November 8 letter, and thus am unable to report to you how the Office of the Federal Water Pollution Control Administration has interpreted the statement of Secretary Udall.

The interpretation and application of Secretary Udall's statement could conceivably cause us many problems in the months ahead. In fact, trouble has already started. States which have agreed to the Secretary's demands are now experiencing difficulty in defining what constitutes the equivalent of secondary treatment for industrial waste. If your state's legislation calls for a program to assure acceptable water quality, you, as administrator of the program, will have to show that the discharges are damaging that quality. Whether or not the alleged offender (municipality or industrial plant) does or does not have a secondary treatment facility is not the material issue. If the court finds that the water quality is not impaired by the waste discharged, the standards which include a requirement for secondary treatment could be thrown out, even though approved by the Secretary of Interior. Thus, the efforts to improve a meaningful water pollution control program would be set back for an indefinite period of time. We cannot afford this risk. We need a meaningful and a determined program that will secure for ourselves and future generations, a desirable quality of water.

The guidelines issued by the Department of Interior have been considered by some as having the strength of law. But the federal Act did not require that conference conclusions and secondary treatment, as a minimum, be included in state standards. For the states to adopt standards solely to be in conformity with the guidelines is courting trouble.