

RESERVE FUND

Fifth, section 2(f)(5)(C)(ii), page 6: This provision would require the creation of a reserve or sinking fund, designed "to meet, to the greatest extent possible, expansion or replacement requirements of the treatment works service area." This would be tantamount to doubling the cost of a facility by providing for the funding of a future replacement. In view of the large sums which are required for construction of plants merely to meet present needs, we urge that these be financed first, leaving as a second step the financing of replacement facilities.

PRIORITY SYSTEM

Sixth, section 2(f)(5)(E) on page 7: At present, those States which have already made provision for financing a part of municipal plant construction and prefinancing the Federal share are generally implementing their programs on a concurrent basis, regardless of the size of current Federal appropriations. Under this new proposal in H.R. 15907, a priority system would necessarily have to be adopted, with the whole program coming to a halt upon expiration of annual appropriations. Experience to date has demonstrated the inadequacy of this kind of appropriations.

Seventh, section 3, page 9: This section, which is concerned with the size of the annual appropriations, continues the 1967 provision that at least 50 percent of the first \$100 million appropriated shall be used to make grants to communities of less than 125,000 population. In view of the large number of such communities and from our standpoint the number with proposed joint industrial-municipal plants, we feel this sum is quite inadequate when consideration is given to the fact that it applies to the total of grants to all 50 States.

OTHER PROVISIONS

Eighth, we suggest, in section 2(f)(5)(B) on page 6, that some definition or limitation be set forth to interpret "criteria established by the Secretary." We also suggest that section 2(g)(1) on page 8 include a qualifying phrase for the words "maximum efficiency" to take into consideration economic reasonableness. We also suggest that section 6(a)(6)(B), page 13, be amended to include the phrase "with due regard for technical and economic feasibility" after the word "pollutants" in line 19.

OPERATOR CERTIFICATION

Parenthetically I would like to lend my endorsement to section 2(g)(2)(B), page 9, which requires an effective statewide operator certification program. We in New York State have accomplished the same purpose by a 30 percent operation and maintenance grant to municipalities, which enables the State to insure that they are also operated at design efficiency. However, I suggest that your conditions require the state to be responsible for the operator certification program, rather than the Secretary.