

On judging the adequacy of design and operating plan for treatment works

As much as anyone else, League members want maximum efficiency for their investment. We are somewhat dubious, however, about the amount of reviewing that might be required under Sec. 2(g)(1) which provides that "* * * design and operating plan for treatment works shall be adequate, in the judgement of the Secretary, to insure the maximum efficiency in operation." Sec. 2(f)(d) requires approval of the plans by the responsible state agency. Is both federal and state review of plans for treatment plants contemplated? Or would the Secretary's staff develop criteria which the states would be required to use as yardsticks? With trained people in short supply, is dual review the best use of limited personnel? Is it the best use of limited funds? Is some clarification of intent needed here?

On income tax liability on treatment facility bonds

The League has no position on whether income from bonds for construction under the contract system should be taxable or tax free to the buyer. We know that exemption from income tax on federal borrowing is contrary to federal policy. We do not know whether making taxable that part of the bonds which constitutes the local share would be the first step toward destroying the tax exempt nature of other municipal bonds, as state and local officials suggest. Nor do we consider ourselves equipped to foresee the effect federally guaranteed bonds might have on the municipal bond market under either circumstance.

Need *taxability* vs. *tax exemption* as an issue of public policy be coupled with this authorization of a program to stimulate state and local investment in the water pollution control program? What proportion of local governments will be able to assume the federal as well as the local share of bonded indebtedness for sewage facilities along with their other obligations? Fortunately, all but three state legislatures meet in the odd-numbered years. They will soon be able to consider changes in state statutes to facilitate use of the contract method of sewage facility financing by local bodies.

LAKE, MINE, AND OIL POLLUTION CONTROL BILLS

The League agrees with the objectives of S. 2760 and H.R. 14000 to improve U.S. ability to overcome pollution in lakes and in streams affected by acid mine drainage. The League also agrees with the objectives of H.R. 15906, H.R. 15928, H.R. 16015, H.R. 16163, H.R. 14000, and S. 2760 to strengthen the oil pollution control program and include it as part of the overall federal water pollution control program.

To the list of grants and contracts authorized by the Federal Water Pollution Control Act the League supports adding grants for research and development on (a) prevention, removal, and control of natural and man-made pollution in small lakes and (b) feasible and practical techniques of eliminating or controlling acid or other mine water pollution.

The League supports rewording of the definition of discharge to eliminate "* * * grossly negligent or willful * * *" and to include all ways in which oil and related materials can get into the water in quantity.

The League supports making owners and operators of shore installations responsible, along with owners and operators of all vessels, for amelioration of the effects of discharged oil of any kind or in any form.

REASONS FOR SUPPORT

Early in 1967, local Leagues reported on their study of financial incentives to industry to abate water pollution. These reports said clearly and strongly that League members think control of wastes is one of the costs of doing business. Therefore, we maintain that all who discharge oil and similar wastes should be responsible for full costs of cleanup.

League members also expressed enthusiasm for federal support of research for new and effective ways of halting pollution. League in many states are well aware of how vulnerable lakes are to eutrophication. While certain protective steps that can be taken are well known, understanding of the enrichment process is inadequate. Improvement of methods for nutrient removal is expected to require large scale demonstration projects.

While continued fundamental and applied research on acid mine drainage will undoubtedly be needed, the time seems to have come for demonstration