

fiscal years 1969, 1970 and 1971. It would also authorize appropriations for an indefinite number of fiscal years to liquidate contracts under the new Section 8(f);

5. provide that the aggregate amount of contracts in any one year shall not exceed 10 percent of the aggregate principal sum available for such contracts in any one State;

These bills would also:

6. Amend the reimbursement provision in the Act added in 1966. This provision would allow a State to proceed with their approved project and be reimbursed up to the normal Federal share if Federal funds become available at a later date. The proposal would cut this authority off as of July 1, 1968;

7. Require the State to initiate an effective operator certification program approved by the Secretary by July 1, 1970. They would also require the State to develop by July 1, 1969, an approvable statewide plan to improve the efficiency of treatment works constructed prior to July 1, 1968, and operating since that date. These last two features are conditions for assistance for the grant and contract program;

8. Extend the general research, demonstration training and information authorities beyond June 30, 1969 and consolidate the comprehensive estuaries study provision of the Act.

In order to properly evaluate the ramifications of this bill, a brief review of the Massachusetts program should be made.

Since the passage of the Federal Water Quality Act of 1965 and the Clean Waters Restoration Act of 1966, the Commonwealth of Massachusetts enacted one of the most comprehensive water pollution control programs in the nation, featuring a \$150 million State Grants Program, a new Division of Water Pollution Control in the Department of Natural Resources, two industrial waste treatment tax incentive laws, one million dollars a year for research and training, and broad authority for enforcing the provisions of the Clean Waters Act. Water Quality Standards have been adopted and approved for the entire State, and the Division has instituted and scheduled an aggressive and comprehensive waste treatment construction program tailored to the financial support authorized by the Clean Waters Restoration Act. Following cut-backs in Federal appropriations in FY 1968, a pre-financing clause was passed by the Massachusetts Legislature to allow us to advance the Federal share on eligible projects in order to preserve the integrity of the schedules set forth in our implementation program.

This pending Federal legislation (HR 15907) and (S 3206) appears to offer several serious deficiencies that would certainly delay and conceivably cripple the efforts of the Commonwealth's water pollution abatement program. Several of these are enumerated as follows:

1. Under HR 15907 and S 3206 the Federal reimbursement provisions are discontinued July 1, 1968. To maintain the present Federal grant appropriations and at the same time eliminate the reimbursement provision will reduce the level of construction far below what is required in the State's implementation schedule and serve to lengthen the time period for water quality enhancement of our rivers and streams.

2. The larger communities will be at a disadvantage under the contract provisions because of the method of reimbursement using non-tax exempt bonds contrasted with a smaller community that may receive grants. This constitutes a serious problem as to the equitability between large and small community financing. The appropriation levels are also not specified in the Act and therefore makes it difficult to plan for specified projects on a year-to-year basis.

3. The fact that no state may get more than 10 percent of the total amount of available funds for contracts obviously is disproportionate as the magnitude of State problems vary considerably, and there is no assurance that the more serious problems will be rectified on a priority basis. The earlier method of allocations on a population and income basis with State priority schedules certainly appears to be a better approach.

4. The section providing for the local public body to establish a necessary reserve fund is not allowable under the Massachusetts General Laws.

5. The State would certainly agree an operator certification program is a necessary ingredient to an effective water quality control program. At the