avoid hasty action in making major changes in the present authorization. Furthermore a number of states have embarked upon financial incentive programs in this field which have been planned to complement the present Federal program, and careful analyses should be made to avoid harmful or interfering changes.

In addition to raising the need for evaluation of the advantages and disadvantages of the "annual payment" proposal, the present bill H.R. 15907, includes a number of new conditions which would have to be met by communities to be eligible for Federal financial assistance. Some of these conditions are objectionable and would certainly retard water pollution abatement progress. Comments on these follow:

1. Prohibition of tax exemption. We have been advised that this requirement could seriously interfere with the marketing of local obligations and could result in higher interest rates. It should be noted that many states have a legal limit of 6% on the interest rate for pertinent types of bonds. This section of the bill should be carefully evaluated.

2. Limitation to treatment works serving 125,000 or more population or Standard Metropolitan Statistical Areas. If the program were just being initiated, such a provision might have some application, but at this time there is a great need to upgrade and enlarge existing treatment facilities to achieve higher water quality objectives. This requirement, if enacted, would prevent use of Federal funds on many of these plants to attain established goals. This section should be deleted.

3. Consistency with area comprehensive planning. While there is agreement with this general objective, a flat requirement could well delay indefinitely the installation of critically-needed waste treatment facilities, where local officials have not yet agreed on a comprehensive area development plan. Therefore it is recommended that a phrase be added at the end of this section (line 14), as follows: ". . . where such plans have been developed."

In summary, Great Lakes-Upper Mississippi River Board recommends a careful assessment of the effect of changing the construction grants, in part, to contracts for annual payments, and urges certain changes and deletions to avoid serious intereference with the incentive program. The Great Lakes-Upper Mississippi River Board offers its assistance and consultation to arrive at improved legislation.

Adopted: April 5, 1968, Chicago, Illinois.

CALGON CORP.,
Pittsburgh, Pa., April 22, 1968.

Hon. JOHN BLATNIK,
Chairman, House Subcommittee on Rivers and Harbors,
House Office Building,
Washington, D.C.

DEAR CONGRESSMAN BLATNIK: Calgon Corporation as a manufacturer of specialty chemicals for water and waste treatment is interested in H.R. 16044. We believe certain portions of the bill as now written are subject to misinterpretation and should be clarified so as to reduce as far as is possible divergent interpretations. Therefore, we are submitting the attached statement on the bill with a suggestion as to how subsection (h) should be reworded.

We appreciate the opportunity to express our position and would be happy to appear in person for further clarification if necessary.

Sincerely,

A. M. GABER,
Public Relations Manager.

STATEMENT OF POSITION OF CALGON CORP.

"We are in concurrence with the intent of the amendment introduced by Mr. Dingell to improve operating efficiency of municipal waste treatment plants by chemical treatment. However, we strongly recommend that certain portions be rewritten to clarify present language. Specifically we recommend that subsection (h) be reworded to read thusly:

"'(h) the Secretary is authorized to make grants annually to any State, municipality, or intermunicipal or interstate agency for the purpose of assisting in the operation of existing waste treatment plants using proven methods to achieve a significant immediate improvement of effluent quality by removing materials such as phosphate, suspended solids and organic matter.'