



Center for Health, Environment & Justice

NEWS RELEASE

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Contact:
Moirá Bulloch
703-237-2249 ext. 19
mbulloch@chej.org

Superfund: A Key to Community Health & Economic Revival

Statement by Lois Gibb; Executive Director, CHEJ

Washington, DC – Good morning. Thanks for this Congressional Briefing on the Superfund toxic waste site cleanup program.

The federal Superfund program was created in 1980 in response to serious health threats from toxic sites across the country – especially the Love Canal landfill in Niagara Falls, NY where I led a community group that successfully fought for the relocation of 900 families away from the leaking hazardous waste dump.

Under Superfund, the Environmental Protection Agency (EPA) has completed the cleanup of over 1,000 of the nation’s worst toxic waste sites, protecting hundreds of communities and drinking water supplies.

But today our nation faces new threats to the health and safety of the American people – damage at toxic sites caused by extreme weather conditions brought on by climate change, and a Superfund funding shortfall. Hazardous waste sites can discharge and release large quantities of toxic substances when subject to flooding, tornados and hurricanes. The increased costs from extreme weather events place a tremendous financial burden on the already financially ailing Superfund program.

Furthermore, some large Fortune 500 corporations are declaring bankruptcy to avoid the cost of cleaning up their site and walking away. American taxpayers are then left holding an enormous cleanup bill which is paid for by Superfund, funded entirely with taxpayer dollars.

There is only one solution – Congress must reinstate the polluter pays fees. Without collecting the corporate fees to replenish Superfund, there is simply not enough money to do the critical job of cleaning up hundreds of toxic waste sites. Given the poor economic climate, it is unfair to expect the American taxpayers to pay for 100% of the annual costs of this program. Corporate polluters must once again contribute to the costs of cleaning up these contaminated sites.

That is why we need to pass Representative Blumenauer and Senator Lautenberg’s bill to reinstate the four Superfund polluter pays fees.

First, let’s look at how hurricanes and tornadoes are impacting Superfund Sites. As climate-change related extreme weather events are becoming more frequent and more intense, they are posing a

significant threat to the future integrity of many sites. The strong winds of hurricanes and tornados can disrupt contaminated soils and move waste barrels long distances, or damage protective liners covering dangerous toxic waste dumps. Flooding can dislodge buried waste, displace chemicals stored above ground, and spread contamination in soil.

Extreme weather conditions that have impacted Superfund sites include Hurricanes Ike in 2008, Katrina and Rita in 2005, and Ivan in 2004; tornadoes in Oklahoma and Iowa in 2008 and related flooding in Iowa, Kansas and Missouri.

In the Gulf Coast region alone, 56 Superfund sites were impacted by hurricanes from 2004 to 2008. This region is one of the most heavily industrialized and polluted areas in the nation. Hurricane force winds and flood waters stirred up toxic chemicals, oil and pesticides and dispersed them across the region.

Increased contamination was found at sites after these extreme weather events, such as Oklahoma's Tar Creek Superfund Site. A tornado slammed into the mining town of Picher and one of the country's largest Superfund sites leveling over 200 homes and creating a major public health hazard as lead-contaminated mining waste piles were dispersed throughout the community. Within a few weeks, EPA spent \$8 million to buyout and relocate 800 residents away from the toxic mess. Now, the town will be the first in America to be eliminated because of a toxic disaster – the government plans to cease operations by September 1st.

Another threat to the Superfund program is the eye of the economic storm, corporate bankruptcies, where polluting companies are allowed to avoid the costs of cleaning up their site by declaring bankruptcy. A potentially large number of sites could end up in Superfund if corporate polluters succeed in this exit strategy – leaving the American taxpayers to pay for the cleanup costs.

One 2007 study identified six companies connected to roughly 120 Superfund sites in 28 states that filed for bankruptcy in the last decade. Today, the American Smelting and Refining Company (Asarco) appears to be using the same exit strategy. The company filed for Chapter 11 reorganization which could result in the largest, most environmentally significant bankruptcy in America's history. The Asarco bankruptcy will impact an estimated 90 communities – many of them living with federal Superfund sites – and claims total over \$25.2 billion. As more and more businesses struggle in today's weak economy, there is the potential for more sites to end up in Superfund as Polluters declare bankruptcy and leave the taxpayers to pay for the cleanup costs.

As Superfund is saddled with major costs from corporate bankruptcies and cleaning up sites damaged by hurricanes, tornadoes and floods, poses significant new burdens for an already financially ailing program.

Where will the money come from? When Superfund was created in 1980, a Trust Fund was set up with approximately \$1.6 billion to pay for the cleanup of any site where a polluter could not be located, was bankrupt, or refused to take action. Superfund was financed by four fees from the companies responsible for hazardous chemical releases, called the polluter pays fees.

In 1995, Superfund had accumulated nearly \$4 billion. However, the authorization to collect these fees sunset that year and were not reauthorized by Congress. So by 2003 the program ran out of money and the entire financial burden of paying for the cleanup of the worst toxic sites in America fell to the taxpayers.

For the past five years, Congress has annually allocated approximately \$1.2 billion of general revenues – taxpayer’s money – to Superfund since both Congress and President Bush failed to reinstate the fees. The program’s funding has been greatly reduced ever since the industry fees lapsed over a decade ago. The lack of polluter pays fees and the dependency on taxpayer revenues has led to a funding shortfall. In 2008, ten unfunded sites were not cleaned up. Every year, the EPA makes roughly the same budget request and yet, from 2004 to 2008, Congress provided 25% less than EPA requested.

The decreased funding has led to a Superfund slowdown with dramatic reduction in the number of sites cleaned up.

- From 1997 to 2000, EPA averaged 87 completed cleanups a year.
- From 2001 to 2006, the number dropped drastically to an average of 45 sites a year.
- Then, in 2007, only 24 sites and in 2008, 30 sites were cleaned up.

Under the Bush Administration, (2001 to 2008), there has been more than a 50% decrease in the pace of site cleanups from the late 1990’s.

Today, approximately 1,600 known Superfund toxic waste sites are poisoning drinking water, land and air with chemicals that cause cancer, birth defects and other health problems.

It’s Time to Refinance Superfund. Superfund faces new threats as more money is needed to clean up sites impacted by hurricanes, tornadoes and flooding, while bankrupt polluters continue to try to unload their cleanup costs on the program. At the same time, decreased funding and the Superfund slowdown have resulted in increased toxic exposures and health threats to communities across America.

Stable and equitable funding is long overdue for this critically important pollution prevention program. It is time for Congress to reinstate the polluter pays fees. Without industry fees to replenish Superfund, there is simply not enough money to do the critical job of cleaning up hundreds of toxic waste sites and the American taxpayers are unfairly burdened by paying 100% of the annual costs.

Superfund was founded on the principle that those companies most closely associated with creating toxic waste sites and generating hazardous waste should bear the financial burden of cleaning them up. American taxpayers are unfairly bearing the full burden of paying for abandoned site cleanups. It is essential that industry fees are reinstated to replenish the ailing Superfund and get it back on the cleanup track. We can solve the problem by restoring the stable funding source of polluter pays fees which were the financial backbone of Superfund for more than 20 years. The core principle of the Superfund program is that polluters, not taxpayers, should pay to clean up these deadly toxic waste sites.

Except for President George W. Bush, the Superfund polluter pays fees have benefited from a broad bipartisan presidential support. President Jimmy Carter signed the 1980 original law, President Ronald Reagan signed the 1986 law to expand the fees, and President George H.W. Bush signed a 1990 law renewing the fees. In 1995, President Clinton proposed fee reauthorization, but Congress did not approve it. President George W. Bush opposed reinstatement of the fees thus forcing American taxpayers to pay the bill when the program went bankrupt in 2003.

Now, President Obama has shown his support for polluter pays fees by calling for their reinstatement in his proposed budget earlier this year. But the President wants to delay reinstatement until 2011 due to

the economic downturn. We urge Congress to do it now. Why? Because the fees are very reasonable and broad-based and will take a significant financial burden off of the American taxpayers. They include assessments on crude oil, chemical feedstock, imported chemical derivatives and a corporate environmental income tax.

Let me illustrate how reasonable the fees are. We call one of the fees the “pizza tax” to simplify and clarify issues of economics and fairness. The Corporate Environmental Income Tax was paid by corporations with \$2 million or more in taxable profits (after deductions). These corporations were required to pay \$12 on every \$10,000 in profits – the price of a large, cheese pizza. Basically, we are asking corporations to again pay the price of a pizza on every \$10,000 in profits to help replenish Superfund.

The Center for Health, Environment & Justice, Environment America, Sierra Club and hundreds of state and local environmental, health and community groups have waged a campaign to refinance Superfund for many years. We are heartened by the support of President Obama and champions like Representative Blumenauer and Senator Lautenberg. It’s time for Congress to restore the polluter pay fees and get Superfund back on track and ready to respond to new toxic threats.

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About CHEJ

The Center for Health, Environment & Justice exists to mentor the movement to build healthier communities by empowering people to prevent harm in as many ways, and for as many people, as possible. We believe this can happen when people and groups have the power to play an integral role in promoting human health and environmental integrity. CHEJ’s role is to provide the tools, the direction, and the encouragement to these people and groups, so that they can build strong, healthy communities where they live, work, learn, shop, play and pray. Following her successful effort to prevent further harm for the people living in contaminated Love Canal, Lois Gibbs founded CHEJ in 1981 in order to continue mentoring others seeking to prevent harm. CHEJ provides mentoring assistance to communities, homeowners, families and individuals throughout the country. To date, CHEJ has assisted over 10,000 groups nationwide. Currently, CHEJ is mentoring community groups in Florida, Maryland, New Jersey, New York, North Carolina and Ohio. Details on CHEJ’s efforts to help people and communities prevent harm can be found at <http://chej.org/>.