

# CRS Issue Brief for Congress

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## **Environmental Protection Issues in the 109<sup>th</sup> Congress**

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## Environmental Protection Issues in the 109<sup>th</sup> Congress

### SUMMARY

Environmental protection concerns span a wide variety of issues, including clean air, water quality, chemical security, and environmental aspects of other major issue areas such as energy, transportation and defense. This issue brief provides an overview of key environmental issues that are receiving or may receive attention in the 109<sup>th</sup> Congress.

A number of environmental measures have been the subject of congressional activity. On April 21, 2005, the House passed H.R. 6, the Energy Policy Act of 2005, and the Senate passed its version of H.R. 6 June 28, 2005. An omnibus energy package, the two versions of the bill contain numerous environmentally related provisions. Perhaps the most controversial include liability protection for the gasoline additive methyl tertiary butyl ether (MTBE), a renewable fuel standard, streamlined environmental permitting, and opening the Arctic National Wildlife Refuge (ANWR) to oil and gas explorations. The Senate bill includes some of these provisions, but not others, as discussed in this report.

Early in the year the Senate Environment and Public Works Committee held hearings and scheduled markup of S. 131, the Clear Skies Act. However, the bill failed on a tie vote March 9, 2005, owing to the contentious nature of the debate over whether clean air regulation would be made more effective or weakened by the legislation, and whether it should include the greenhouse gas carbon dioxide.

Both the House and the Senate have passed transportation reauthorization bills that contain environmental provisions. On March 10, 2005, the House passed H.R. 3, the Transportation Equity Act: A Legacy for Users

(TEA-LU). On May 17, 2005, the Senate passed its version of H.R. 3 (previously S. 732), the Safe, Accountable, Flexible and Efficient Transportation Equity Act (SAFETEA). Conferees were appointed by the Senate on May 26, 2005.

Appropriations for the Environmental Protection Agency (EPA) affect many of the programs and issues discussed in this issue brief; therefore, EPA's annual funding is an issue of perennial interest. On May 19, 2005, the House passed the Interior, Environment, and Related Agencies Appropriations bill. H.R. 2361 (H.Rept. 109-80) includes \$7.71 billion for EPA, \$187.4 million (2%) more than the President's FY2006 request of \$7.52, and \$318.5 million (4%) less than the \$8.03 billion (including a 0.8% rescission) appropriated for FY2005. Related issues and action are the subject of the first section below.

FY2006 defense authorization (H.R. 1815 and S. 1042) and appropriations (H.R. 2528) have been the subject of congressional action; however, bills acted on thus far do not contain the environmental exemptions DOD requested.

As bills receive committee or floor action, they will appear in a table at the end of this report, providing a brief description of each bill and its current status. The sections on specific issues contain references to more detailed CRS reports.

[It should be noted that this issue brief treats mainly pollution-related matters; for natural resource management issues, see CRS Report RL32699, *Natural Resources: Selected Issues for the 109<sup>th</sup> Congress.*]

## MOST RECENT DEVELOPMENTS

On June 28, 2005, the Senate passed H.R. 6, the Energy Policy Act of 2005 (the House passed its version on April 21). An omnibus energy package, the two versions of the bill contain numerous environmentally related provisions. Among these, key provisions include liability protection for producers of the gasoline additive methyl tertiary butyl ether (MTBE), a requirement that motor fuel contain renewable fuel, streamlined environmental permitting, and a postponed deadline for meeting certain air quality standards. The Senate bill would also mandate the use of renewable fuels, but does not include some of the other key environmentally related provisions of the House bill.

Congress has also taken action on a number of defense/environment issues. On May 26, 2005, the House passed the Military Quality of Life and Veterans Affairs Appropriations Act for FY2006 (H.R. 2528), which would appropriate nearly \$1.75 billion for environmental cleanup at active, closed, and other former Department of Defense (DOD) installations. On May 25, 2005, the House passed the National Defense Authorization Act for FY2006 (H.R. 1815), which would authorize the same amount as in H.R. 2528 for cleanup at DOD sites, and another \$6.31 billion for the cleanup of former nuclear weapons sites by the Department of Energy (DOE). On May 24, 2005, the House passed the Energy and Water Development Appropriations Act for FY2006 (H.R. 2419), which would appropriate \$6.47 billion for environmental cleanup at former nuclear weapons sites, more than the authorized amount in H.R. 1815. None of the major defense authorization and appropriations bills contains the environmental exemptions from certain air quality and hazardous waste cleanup requirements for military readiness activities that DOD had requested.

## BACKGROUND AND ANALYSIS

The 109<sup>th</sup> Congress has before it a variety of disparate environmental measures. Many of these reflect continuing consideration of issues that were before the 108<sup>th</sup> and prior Congresses. These include issues that were considered but not enacted, as well as annually occurring legislation on such matters as Environmental Protection Agency (EPA) appropriations, and defense and environment. In light of major concerns over the current federal budget deficit, many of the issues present difficult or potentially controversial choices.

Environmental issues considered by Congress tend to fall into several major categories: (1) funding issues — whether funding levels are adequate and/or focused on appropriate priorities; in light of the current federal budget deficit, reductions in the budget request for EPA and other programs will present difficult choices, and questions about the adequacy of funding levels will continue to be debated in such areas as water quality infrastructure and Superfund cleanup; (2) expanding, renewing, or refocusing existing environmental policies or programs — consideration of proposals that would refocus air quality requirements in the current Congress, for example; (3) environmental issues that are important elements of other major areas of concern; for example, the issue of streamlining environmental reviews in energy and transportation reauthorization legislation, and other environmental provisions in comprehensive energy bills, or including environmental issues in defense authorization or

appropriations; and (4) terrorism and infrastructure protection in areas such as water infrastructure and chemical facilities.

In the 109<sup>th</sup> Congress, early action occurred on S. 131, Clear Skies legislation, originally scheduled for markup in February but rescheduled several times for dates in March, due to the contentious nature of the debate over whether clean air regulation would be improved or weakened by the bill. Another aspect of the bill over which there were divisions in the Senate Environment and Public Works Committee — and in Congress generally — was whether carbon dioxide, the major greenhouse gas contributing to climate change, should be regulated in this legislation. Markup occurred on March 9, but the bill failed on a tie vote in committee, which prevented it from being reported to the floor. Debate on a number of environmental issues was central to the passage of House and Senate versions of the omnibus energy legislation, H.R. 6, and several of these issues remain to be resolved, as discussed below in the section on energy and environment.

While the overall authorizations for most environmental protection statutes have expired, program activities continue, as Congress has regularly appropriated funds to implement these laws. Thus, the fact that authorizations have expired has not been a significant impetus for legislative activity to reauthorize them. However, demands for or constraints on funding programs will present particularly difficult choices and decisions in the 109<sup>th</sup> Congress.

The discussion of major environmental protection issues below focuses on selected key environmental concerns and related activity in the 109<sup>th</sup> Congress. It is not intended to provide comprehensive coverage of all environmental issues; in particular, it does not address issues involving public lands and natural resources (for information on the latter, see CRS Report RL32699, *Natural Resources: Selected Issues for the 109<sup>th</sup> Congress*). For an overview of major environmental pollution control laws, see CRS Report RL30798, *Environmental Laws: Summaries of Statutes Administered by the Environmental Protection Agency*.

## **Environmental Protection Agency Appropriations**

(By Robert Esworthy, Specialist in Environmental Policy, 7-7236)

Historically, EPA's funding has been determined as part of a suballocation for VA-HUD and Independent Agencies and its corresponding subcommittee. However, at the beginning of the 109th Congress, the House and Senate Appropriations Committees reorganized their subcommittees, including placing EPA's appropriation under the Interior subcommittee after eliminating the VA-HUD and Independent Agencies subcommittee.

On May 19, 2005, the House passed the Interior, Environment, and Related Agencies Appropriations bill, H.R. 2361 (H.Rept.109-80), which would provide \$26.11 billion for FY2006, including \$7.71 billion for EPA. The Senate passed its version of H.R. 2361 (S.Rept.109-80) on June 29, 2005, which would provide \$26.26 billion overall and \$7.88 billion for EPA. The President's FY2006 budget request, submitted to Congress in February 7, 2005, included \$7.52 billion for EPA, and Congress appropriated \$8.03 billion (including

a 0.8% rescission) for FY2005.<sup>1</sup> An additional \$100.0 million in the House-passed bill, and \$58.0 million in the Senate-passed bill, would be made available within the State and Tribal Assistance Grants (STAG) account for FY2006 by “rescinding” expired grant and contract unobligated funds previously appropriated to EPA. Among individual programs, both the House- and Senate-passed versions of H.R. 2361 reflect decreases and increases throughout the various EPA appropriations accounts when compared to the President’s FY2006 request and the FY2005 funding levels. (For more information, see CRS Report RS22064, *Environmental Protection Agency: Highlights of FY2006 Appropriations*, and CRS Report RL32856, *Environmental Protection Agency: Appropriations for FY2006*.)

Considerable debate has focused on funding for the State and Tribal Assistance Grants (STAG) account. A large portion of the funding provided within the STAG account is for grants to support state revolving funds (SRFs) for loans to communities for constructing and upgrading water infrastructure to meet federal requirements. The Administration’s request to significantly reduce funding for the clean water SRF from \$1.09 billion in FY2005 to \$730 million in FY2006 has been contentious. Including the use of rescinded funds noted above, the House-passed bill would provide \$850 million for the clean water SRF. Amendments during the House floor debate to bring the funding nearer to the FY2005 level were not adopted. The Senate-passed bill would provide a higher amount of \$1.10 billion, primarily by reducing funding for other activities.

Other prominent issues of debate include the funding for cleanup of hazardous waste sites under the Superfund program, the cleanup and redevelopment of certain commercial and industrial sites referred to as Brownfields, EPA’s homeland security activities, and “congressional priorities” (or earmarks). In addition to the adequacy of funding, another key issue regarding the Superfund program has been whether to continue using general Treasury revenues to fund the account, or to reinstate a tax on industry that expired and had originally paid for most of the program.

## **Energy and Environment: The Energy Bill**

(By Brent Yacobucci, Specialist in Environmental Policy, 7-9662)

In response to continuing concerns over U.S. energy policy, the 109<sup>th</sup> Congress is once again considering omnibus energy legislation. The debate over a national energy policy has been ongoing since the 107<sup>th</sup> Congress. Both the 107<sup>th</sup> and 108<sup>th</sup> Congresses were unable to complete action on an omnibus energy bill due to the broad scope of the bills and several contentious issues that eluded agreement. Many of these issues are again before Congress in the current energy legislation.

The omnibus energy bill (H.R. 6) passed the House April 21, 2005; the Senate passed its somewhat different version of the bill June 28, 2005. The House and Senate versions of H.R. 6 contain many provisions involving environmental protection and regulation. Topics

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<sup>1</sup> The Consolidated Appropriations Act for FY2005 (P.L. 108-447) provided \$8.09 billion for EPA, less an across-the-board rescission of 0.8%. The rescinded amount and a \$3 million supplemental (P.L. 108-324) yielded an appropriation of \$8.03 billion enacted for FY2005. For more information on EPA’s FY2005 appropriations, see CRS Report RL32441, *Environmental Protection Agency: Appropriations for FY2005*.

in the House version include the treatment of MTBE and renewable fuels, stricter regulation of underground storage tanks, environmental exemptions for oil and gas exploration and production, ozone compliance deadlines, and streamlining of environmental regulations. The Senate version contains some of these provisions, but not others.

As passed by the House, H.R. 6 would ban the use of MTBE (a fuel additive in gasoline found to contaminate drinking water supplies, primarily due to leaking underground storage tanks), except in states that specifically allow its use. It would also provide a “safe harbor” from defective liability lawsuits for MTBE and renewable fuels. The Senate bill would also ban MTBE and would provide a safe harbor for renewable fuels, but not for MTBE. The safe harbor for MTBE was seen as a key impediment to the passage of an energy bill in the 108<sup>th</sup> Congress. Proponents of the safe harbor provision contend that oxygen standards for reformulated gasoline in the Clean Air Act Amendments of 1990 virtually mandated the use of MTBE, while critics contend that there were options other than MTBE, and that gasoline producers were aware of the potential for groundwater contamination. Further, some stakeholders are concerned that the fuels provisions of the bill would actually raise gasoline prices. An analysis by the Energy Information Administration on a similar bill in the 108<sup>th</sup> Congress showed that the fuels provisions could raise conventional gasoline prices by as much as 3 cents per gallon. (For more information on MTBE, see the sections of this issue brief on “Clean Air Issues” and “Leaking Underground Storage Tanks.”)

The House-passed bill would also streamline the process for environmental permitting for a variety of energy projects. Further, it would postpone deadlines for compliance with ozone pollution standards in certain areas. The House version would also provide Clean Water Act and Safe Drinking Water Act exemptions for oil and gas exploration and production (related to stormwater runoff and hydraulic fracturing). The above provisions are seen by some as necessary to promote increased domestic energy supplies, while critics argue that they would allow energy producers to sidestep environmental laws. The Senate bill does not contain these provisions.

The Senate also debated climate change as part of the discussion over H.R. 6. The Senate adopted two floor amendments on climate change. S.Amdt. 817 would establish programs to promote the adoption of technologies to reduce greenhouse gas intensity (the rate of emissions compared to economic output). S.Amdt. 866 expresses the sense of the Senate that Congress should establish mandatory, market-based limits on greenhouse gas emissions. S.Amdt. 826 would have required mandatory emission reductions; this amendment was rejected 38-60. The House version of H.R. 6 does not address climate change or greenhouse gas emissions. (For further discussion, see CRS Report RL32873, *Selected Environmental Issues Related to the Omnibus Energy Bill (H.R. 6), 109th Congress.*)

## **Clean Air Issues**

(By Jim McCarthy, Specialist in Environmental Policy, 7-7225)

Many of the air quality issues now under consideration are holdovers from the 108<sup>th</sup> and earlier Congresses. Specific issues include what to do about emissions of mercury and other pollutants from coal-fired electric power plants; and regulation of the gasoline additive MTBE, which is used in the Clean Air Act’s reformulated gasoline program.

The Clear Skies Act (S. 131), which would establish a cap-and-trade program to control emissions of mercury, sulfur dioxide, and nitrogen oxides from power plants, was among the first items on the environmental agenda of the 109<sup>th</sup> Congress. The bill was scheduled for markup by the Senate Environment and Public Works Committee March 9. But the committee failed to approve it, on a 9-9 tie vote, in large part because of complaints that the bill would weaken existing Clean Air Act requirements and delay emission reductions that could be achieved under current law.

EPA faced a judicial deadline of March 15, 2005, to promulgate standards for mercury emissions from electric power plants. The agency met this deadline, but the specifics of its chosen regulation have been widely criticized and have been challenged in court or administratively by 14 states. In Congress, resolutions to disapprove the regulations (S.J.Res. 20 and H.J.Res. 56) were introduced June 29. The Senate resolution can be brought to the floor at any time. The agency also finalized, on March 10, the Clean Air Interstate Rule (CAIR), which will cap emissions of sulfur dioxide and nitrogen oxides from power plants in 28 eastern states and the District of Columbia. (For more detailed discussion, see CRS Report RL32868, *Mercury Emissions from Electric Power Plants: An Analysis of EPA's Cap-and-Trade Regulations*, and CRS Report RL32927, *Clean Air Interstate Rule: Review and Analysis*).

The CAIR and mercury regulations mimic much of the Clear Skies' cap-and-trade approach, but EPA cannot modify existing, overlapping Clean Air Act requirements without new legislation. Whether to remove (or modify) such requirements as New Source Review, deadlines for nonattainment areas, and provisions dealing with interstate air pollution are among the key issues in the Clear Skies debate. Other issues that Congress and EPA face include the costs and benefits of various levels of control, the availability of control technology, and legal issues related to the mercury standard.

Besides Clear Skies, several other bills have been introduced on these issues in the 109<sup>th</sup> Congress: all of these have more stringent deadlines than the Clear Skies proposal, and many set a cap on emissions of carbon dioxide in addition to the three pollutants included in the Clear Skies bill.

Like Clear Skies, other air issues that Congress faces are holdovers from previous Congresses, including the regulation of fuel additives used in reformulated gasoline. One particular additive, MTBE, has contaminated groundwater in numerous states, leading 25 of them (notably California and New York) to ban or limit its use. H.R. 6, the energy bill passed by the House April 21, would ban MTBE nationwide, with several potential exceptions, and would grant MTBE producers a "safe harbor" from product liability lawsuits. The Senate version of the bill, passed June 28, would ban MTBE sooner and would not provide MTBE producers a safe harbor. The bills also differ on how much stimulus to provide for the potential MTBE replacement, ethanol: both would require the use of increasing amounts of ethanol (or other renewable fuels) in motor fuels by 2012, but the Senate bill would require 60% (3 billion gallons) more.

For additional information, see CRS Issue Brief IB10137, *Clean Air Act Issues in the 109<sup>th</sup> Congress*.



## Clean Water Act

(By Claudia Copeland, Specialist in Resources and Environmental Policy, 7-7227)

The Clean Water Act (CWA) is the principal law that regulates pollution in the nation's lakes, rivers, and coastal waters. It also authorizes funds to aid construction of municipal wastewater treatment plants. Although no comprehensive legislation has been enacted since 1987, bills dealing with specific water quality issues have been enacted, and oversight hearings on the act and recent Administration water quality initiatives have been held. The sole CWA legislation enacted by the 108<sup>th</sup> Congress was a bill to reauthorize the National Estuary Program, H.R. 4731 (P.L. 108-399). Throughout this period, Congress has considered possible actions to implement existing provisions of the CWA, whether additional steps are necessary to achieve the overall goals of the act, and the appropriate federal role in guiding and paying for clean water infrastructure and other activities. (For further information, see CRS Issue Brief IB10142, *Clean Water Act Issues in the 109<sup>th</sup> Congress*; for background, see CRS Report RL30030, *Clean Water Act: A Summary of the Law*.)

Legislation to authorize funding for clean water infrastructure projects was a focus of attention in the 108<sup>th</sup> Congress and is likely to be a prominent topic in the 109<sup>th</sup> Congress as well. At issue is how the federal government will assist states and cities in meeting needs to rebuild, repair, and upgrade wastewater treatment plants, especially in view of costs that are projected to be as high as \$390 billion over the next two decades. In October 2004, the Senate Environment and Public Works Committee reported legislation to authorize \$20 billion over five years for the act's State Revolving Fund (SRF) program, which assists municipal wastewater treatment projects (S. 2550). In July 2003, a House Transportation and Infrastructure Committee subcommittee had approved similar legislation (H.R. 1560). Both bills would add provisions allowing states to offer additional subsidization to disadvantaged communities and longer loan repayment periods. They differed in a number of respects, such as how to revise the formula for state-by-state allotment of SRF grants and whether to apply prevailing wage requirements of the Davis-Bacon Act to projects that receive SRF funding (in S. 2550 only). (For information, see CRS Report RL32503, *Water Infrastructure Financing Legislation: Comparison of S. 2550 and H.R. 1560*.) No further action occurred on either bill for several reasons, including controversies over the Davis-Bacon Act and Administration opposition to funding levels in the bills. In the 109<sup>th</sup> Congress, the Senate Environment and Public Works Committee approved S. 1400, a bill similar to S. 2550 in the 108<sup>th</sup> Congress, on July 20. The House Transportation and Infrastructure Committee has approved two bills to reauthorize existing programs in the CWA. H.R. 624 extends Section 221 of the law, providing federal grants for sewer overflow projects, and H.R. 1359 extends Section 220, authorizing a pilot program to develop alternative water supply projects.

Water infrastructure funding also has been an issue in the context of budget and appropriations. In final action on FY2005 appropriations legislation (P.L. 108-447), the House and Senate agreed to provide \$1.09 billion for clean water SRF grants (\$141 million more than in the President's budget but \$231 million less than in FY2004) and also provided \$402 million for earmarked water infrastructure projects in specified communities. The President's FY2006 budget requested \$730 million for clean water SRF grants, which is 33% less than was appropriated in FY2005 and 45.6% below the FY2004 funding level. Advocates of the SRF program (especially state and local government officials) contend that the cuts will impair their ability to carry out needed municipal wastewater treatment plant

improvement projects. Administration officials say that cuts for the SRF in FY2006 are because Congress boosted funds above their requested level in FY2005. On May 19, the House passed H.R. 2361, providing FY2006 appropriations for EPA. It includes \$850 million for clean water SRF grants, but during debate on the bill the House rejected amendments that would have increased funding for SRF grants. On June 29, the Senate passed its version of H.R. 2361. It provides somewhat more EPA funding overall than the House version, and it includes \$1.1 billion for clean water SRF grants. (For additional information, see CRS Issue Brief IB89102, *Water Quality: Implementing the Clean Water Act.*)

## Safe Drinking Water

(By Mary Tiemann, Specialist in Environmental Policy, 7-5937)

The Safe Drinking Water Act (SDWA) is the principal federal statute regulating the quality of water provided by public water systems. EPA has issued regulations covering 91 contaminants, and more rules are under development. Public water systems are required to test and, if needed, treat their water to comply with the standards and treatment requirements contained in these regulations. Congress last reauthorized this act in 1996, and although funding authority for most SDWA programs expired in FY2003, broad reauthorization efforts have not been pursued as EPA, states, and utilities continue efforts to implement the 1996 amendments and related regulations.

Several SDWA issues have received congressional attention in recent years. These include the ability of water systems, especially small systems, to finance projects needed to comply with federal drinking water standards (such as the revised arsenic standard); and contamination problems caused by specific contaminants, such as methyl tertiary butyl ether (MTBE) and perchlorate (the key ingredient in solid rocket fuel). (See MTBE discussion in the section below on "Leaking Underground Storage Tanks.") Another issue has been whether to exempt from regulation the underground injection of fluids for purposes of hydraulic fracturing related to oil and gas production. The House-passed energy bill, H.R. 6 (Section 327) and S. 837 would do so; S. 1080 would direct EPA to regulate this practice as needed, and would prohibit the use of diesel fuel and other currently used pollutants in hydraulic fracturing operations. (For further discussion, see CRS Report RL32873, *Selected Environmental Issues Related to the Omnibus Energy Bill (H.R. 6), 109<sup>th</sup> Congress.*)

As in recent years, legislation has been offered in the 109<sup>th</sup> Congress to address perchlorate contamination of water supplies. H.R. 213 would require EPA to set a drinking water standard for perchlorate by August 2007. EPA has not determined whether to develop a standard for perchlorate, and uncertainties regarding perchlorate's health effects and occurrence, as well as concern about treatment technologies and potential cleanup costs, have slowed EPA's efforts to make such a determination. In January 2005, the National Research Council (NRC) issued a comprehensive review of the health effects of perchlorate ingestion and made several recommendations to EPA regarding its draft perchlorate risk assessment. In February, EPA adopted the NRC's recommended reference dose for perchlorate, which translates to a drinking water equivalent level of 24.5 parts per billion. EPA's Superfund office plans to issue new cleanup guidance, based on the NRC reference dose. (For more information, see CRS Report RS21961, *Perchlorate Contamination of Drinking Water: Regulatory Issues and Legislative Actions.*)

A perennial issue concerns the ability of water systems to improve infrastructure to comply with drinking water standards and to ensure the safety of water supplies. The 1996 SDWA amendments created a drinking water state revolving loan fund (DWSRF) program to help systems finance projects needed to meet standards and address health risks. Congress has provided \$7.7 billion for this program, including \$843 million for FY2005. The House and Senate, in H.R. 2316, both would provide \$850 million for the program for FY2006, as requested. However, a funding gap is expected to grow, as systems act to meet new standards and repair aging infrastructure. EPA's latest drinking water needs survey indicates that water systems require a capital investment of \$277 billion over the next 20 years for drinking water infrastructure. The Senate Environment and Public Works Committee has ordered reported S. 1400, the Water Infrastructure Financing Act, which would reauthorize and increase funding authority for the DWSRF.

H.R. 2417 and S. 689 have been introduced to establish a grant program to help small communities comply with drinking water standards, and to delay enforcement of the arsenic standard until states implement this program. H.R. 1315 and S. 41 would direct states to grant temporary exemptions to eligible, small water systems from regulations for certain naturally occurring contaminants (e.g., arsenic and radium). Broad water infrastructure financing bills were reported in the past two Congresses; however, it is uncertain whether similar legislation, or a new approach, will be considered in the 109<sup>th</sup> Congress. (For a discussion of various SDWA issues, see CRS Issue Brief IB10118, *Safe Drinking Water Act: Implementation and Issues*.)

## **Leaking Underground Storage Tanks**

(By Mary Tiemann, Specialist in Environmental Policy, 7-5937)

In 1984, Congress created a leak prevention, detection, and cleanup program under the Solid Waste Disposal Act to address a nationwide problem of leaking underground storage tanks (LUSTs) that store petroleum or hazardous chemicals. In 1986, Congress created the LUST Trust Fund to help the EPA and states cover the costs of responding to leaking petroleum USTs where tank owners fail to do so, and to oversee cleanup activities. Congress provided \$69.4 million from the trust fund for FY2005, and the President has requested \$73 million for FY2006. The fund balance currently exceeds \$2 billion. On March 31, 2005, the President signed H.R. 1270 (P.L. 106-9), extending through September 2005 the 0.1 cent-per-gallon motor fuels tax that supports the LUST Trust Fund.

Significant progress has been made in the tank program, but nearly 130,000 leaking tank sites still require remediation. A key issue is that cleanup costs have increased because of the presence of methyl tertiary butyl ether (MTBE) at thousands of LUST sites; and MTBE leaks have contaminated numerous drinking water supplies, usually at low levels. (MTBE has been used widely to meet the 1990 Clean Air Act requirement that oxygenated gasoline must be used in areas that fail to meet the federal ozone standard.) Another issue is that most states have not had adequate resources to fully enforce UST leak prevention regulations. Some states have urged Congress to increase trust fund appropriations for LUST cleanup activities, and to allow the fund to be used to enforce the leak prevention program.

In April, the House passed H.R. 6, the omnibus energy bill, which would add new leak prevention provisions to the UST regulatory program and authorize funding for the remediation of petroleum tank leaks that involve MTBE. (These UST provisions are nearly

identical to those contained in the conference report for H.R. 6 in the 108<sup>th</sup> Congress.) Among its provisions, the House-passed version of H.R. 6 would add tank inspection and operator training requirements, and would require EPA or a state, when determining the portion of cleanup costs to recover from a tank owner, to consider the tank owner's ability to pay for cleanup and still maintain business operations. H.R. 6 would authorize the appropriation of \$200 million from the LUST Trust Fund annually for five years for cleaning up leaks involving MTBE or renewable fuels (e.g., ethanol), and another \$200 million annually for five years for EPA and states to administer the regular leaking petroleum tank cleanup program. The House bill also would provide a retroactive shield from products liability lawsuits to MTBE manufacturers. The Senate's version of H.R. 6 would authorize a one-time appropriation of \$200 million from the LUST Trust Fund for responding to releases of MTBE and other fuel ethers (but not ethanol). The Senate bill includes a products liability safe harbor for renewable fuels, but not for MTBE. Both bills would allow EPA and states to use LUST funds to enforce UST regulations and would authorize LUST Trust Fund appropriations for this purpose. (For more information, see CRS Report RL32865, *Renewable Fuels and MTBE: A Comparison of Selected Legislative Initiatives*. See also CRS Report RL32787, *MTBE in Gasoline: Clean Air and Drinking Water Issues*, and CRS Report RS21201, *Leaking Underground Storage Tanks: Program Status and Issues*.)

## **Superfund and Brownfields**

(By Mark Reisch, Analyst in Environmental Policy, 7-7255)

Increasing funding for cleanup of the nation's hazardous waste sites, and expanding exemptions from Superfund liability, may be areas of congressional interest in the 109th Congress. The Superfund program addresses sites that pose significant threats to human health and the environment; the brownfields effort targets less seriously contaminated sites.

Authority for the taxes on industry that brought in about \$1.48 billion annually to the Superfund Trust Fund expired in 1995. The FY2004 and FY2005 appropriations (including rescissions, and after transfers, \$1.200 billion and \$1.199 billion, respectively) came entirely from the general fund of the Treasury, whereas in earlier years the general fund contributed 17% to 20%, and the balance of the appropriation was from the trust fund. The FY2006 request is for \$1.235 billion, the House approved \$1.214 billion, and the Senate approved \$1.212 billion (H.R. 2361). EPA has said that lack of funds prevented the initiation of cleanup work at 34 sites in FY2004. The agency has also said that on average, new sites being addressed are more costly, larger, and more complex than sites in the past.

Limiting the exposure of certain parties to Superfund liability may also be examined by Congress. The Superfund law's stringent liability scheme often subjects a wide variety of persons — including the present owner of a facility — to strict, joint, and several liability for cleanup and other costs. Past Congresses have limited the liability of financial institutions and recyclers, as well as protecting those who sent only very small quantities of hazardous waste to a Superfund site, those who only sent municipal solid waste, and several categories of "innocent parties." For several years service station dealers have been seeking to expand a limited existing exemption from liability for waste oil, and the issue may be taken up in the 109th Congress; H.R. 2211, introduced on May 10, 2005, would provide the additional liability protection.

Appropriations for EPA's brownfields program were \$169.9 million in FY2004, and \$163.7 million in FY2005 (after rescissions both years). The administration's FY2006 budget request is \$210.1 million, the House approved \$172.1 million, and the Senate approved \$165.0 million.

In the 109<sup>th</sup> Congress, the Financial Services Committee reported H.R. 280 on June 16, 2005 (H.Rept. 109-138). The bill would make HUD brownfield grants more accessible to smaller communities. Also, the transportation bill, H.R. 3 (H.Rept. 109-12, parts 1 and 2), which is in conference, includes a pilot program to support planning activities (including brownfield redevelopment planning) related to highway and public transportation projects. Six other brownfield bills have been introduced. H.R. 336 and H.R. 1237 would authorize funds for five years for the Economic Development Administration to make grants of up to 75% of the cost of brownfield development projects. S. 398 and H.R. 877 would expand and make permanent the brownfields tax incentive, as well as eliminate the recapture provision; H.R. 2683 would extend the incentive through 2009. And H.R. 1680 would allow a limited tax credit to holders of qualified brownfields cleanup bonds. Superfund bills in the 109<sup>th</sup> Congress include H.R. 434, which would redirect \$124 million per year for five years from EPA's science and technology programs to the Superfund program, would limit the program's management and administrative expenditures, and would suspend new listings of Superfund sites until all remedial actions have been completed at all sites currently on the National Priorities List.

## **Surface Transportation and Environment**

(By Linda Luther, Environmental Policy Analyst, 7-6852)

Both the House and Senate have passed legislation to reauthorize surface transportation programs for FY2004-FY2009.<sup>2</sup> The House passed H.R. 3, the Transportation Equity Act: A Legacy for Users (TEA-LU). The Senate inserted language from S. 732, the Safe Accountable, Flexible, and Efficient Transportation Equity Act of 2005 (SAFETEA), into its version of H.R. 3, and it was passed on May 17, 2005. During the 108<sup>th</sup> Congress, the House and Senate passed legislation (H.R. 3550 and S. 1072) with policy provisions that are essentially identical to their respective bills passed in this session. However, conferees were unable to reach agreement on a final bill before the 108<sup>th</sup> Congress adjourned.

During the reauthorization process, environmental issues have garnered significant attention from both Members of Congress and interested stakeholders (e.g., state transportation agencies, transportation construction organizations, and environmental groups). This attention is due to both the impact that surface transportation projects can have on the environment and the impact that compliance with environmental requirements can have on project delivery. As a result of this concern, legislation proposed in both the House and Senate has included a variety of environmental provisions.

Generally, those provisions propose to do one of the following: authorize funding to eliminate, control, mitigate, or minimize regulated environmental impacts associated with

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<sup>2</sup> Surface transportation programs include federal highway, highway safety, and transit programs undertaken by the U.S. Department of Transportation's (DOT's) Federal Highway Administration (FHWA) and Federal Transit Administration (FTA).

surface transportation programs or projects; or specify procedures required to be undertaken to comply with certain environmental requirements, often with the intention of simplifying or expediting them. In particular, both the House and Senate have proposed changes to the procedures DOT would be required to follow to comply with certain provisions of the Clean Air Act and the National Environmental Policy Act (NEPA). (For additional information on these issues, see CRS Report RL32032, *Streamlining Environmental Reviews of Highway and Transit Projects: Analysis of TEA-LU (H.R. 3) and SAFETEA (S. 732)*, CRS Report RL32454, *Environmental Provisions in Surface Transportation Reauthorization Legislation: TEA-LU (H.R. 3) and SAFETEA (S. 732)*; and CRS Report RL32106, *Transportation Conformity Under the Clean Air Act: In Need of Reform?*)

Authorization legislation for FY1998-FY2003, the Transportation Equity Act for the 21st Century (TEA-21, P.L. 105-178), expired on September 30, 2003. In accordance with a series of extension bills, all existing surface transportation programs continue to operate according to provisions of TEA-21 while Congress considers reauthorization proposals. The most recent extension, the Surface Transportation Extension Act of 2005, Part II (H.R. 3104), extends funding until July 19, 2005.

## **Chemicals: Security and Regulatory Issues**

(By Linda Schierow, Specialist in Environmental Policy, 7-7279)

The 109th Congress is considering whether there is a need for federal oversight of security arrangements against terrorism for privately owned facilities storing or handling large quantities of potentially dangerous chemicals. At issue are the role of the federal government in protecting such facilities from terrorist acts, and how facilities should address concerns about terrorism. In the 109<sup>th</sup> Congress, two House bills would require designated facilities to prepare vulnerability assessments and plans for increasing facility safety and/or security and responding in the event of an emergency. H.R. 1562 would require submission of assessments and plans to the Department of Homeland Security (DHS), while H.R. 2237 would require submission to EPA. H.R. 2237 also would require consideration and use of “inherently safer” technologies, if practicable. No bill has been introduced into the Senate to date, but the Committee on Homeland Security and Governmental Affairs has held two hearings. (For more information, see CRS Report RL31530, *Chemical Plant Security*.)

The 109<sup>th</sup> Congress also may consider amendments to the Toxic Substances Control Act (TSCA) and the Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA), so as to allow implementation of the Stockholm Convention on Persistent Organic Pollutants (POPs). The Stockholm Convention bans or severely restricts production, trade, and use of 12 POPs, including DDT, PCBs, and other chemicals that generally are no longer in U.S. commerce. Although the President has signed the treaty, implementing legislation is necessary prior to U.S. ratification. Discussion in the 108<sup>th</sup> Congress centered on EPA authority for rulemaking concerning POPs (especially POPs which might be listed in future amendments to the treaty), and the extent to which this authority should differ from EPA’s existing authority for regulating toxic chemicals and pesticides. The Senate Committee on Environment and Public Works reported a bill, S. 1486, that proposed amendments to TSCA. A competing proposal was considered but not acted upon by the House Subcommittee on Environment and Hazardous Materials of the Committee on Energy and Commerce. Neither the House nor the Senate Agriculture Committee has yet held a hearing to consider amendments to FIFRA.

(For more information, see CRS Report RL32150, *International Agreements on Persistent Organic Pollutants (POPS): Background and Issues for Congress.*)

## **Defense Environmental Cleanup and Other Issues**

(By David Bearden, Environmental Policy Analyst, 7-2390)

The Department of Defense (DOD) administers five programs to address the cleanup of hazardous waste and other environmental needs on over 30 million acres of land located on active military installations and former military properties. In addition to these activities, the Department of Energy (DOE), as part of its overall responsibility for U.S. nuclear weapons programs, is responsible for cleaning up contamination at former nuclear weapons sites. Action is underway in the 109<sup>th</sup> Congress on legislation to authorize and appropriate funding for national defense programs for FY2006, including DOD and DOE's defense-related environmental activities.

As in recent years, the difference in funding between the House and Senate for cleanup of DOD sites is for former military installations decommissioned prior to the first round of base closings in 1988. As passed by the House, H.R. 1815 would authorize the Administration's request of \$1.37 billion for cleanup at active and former military installations, and H.R. 2528, as passed by the House, would appropriate the same amount. As reported, S. 1042 would authorize an additional \$40 million for cleanup of former installations.

Both H.R. 1815 and S. 1042 would authorize the Administration's request of \$378 million for cleanup of bases closed since 1988, and H.R. 2528 would appropriate the same amount. DOD has recommended closing additional bases in 2005. A prominent issue has been whether potential cost or technical limitations to cleaning up these properties for civilian reuse could constrain economic redevelopment. (See CRS Report RS22065, *Military Base Closures: Role and Costs of Environmental Cleanup.*)

Another issue has been whether further environmental exemptions than are provided in current law are necessary to preserve military training capabilities. The 107<sup>th</sup> and 108<sup>th</sup> Congresses enacted the exemptions that DOD requested from certain wildlife protection requirements. However, Congress has not enacted exemptions from specific air quality and hazardous waste cleanup requirements that have been controversial, based on concerns about human health risks. Thus far, none of the FY2006 defense authorization or appropriations bills include these exemptions. (See CRS Report RS22149, *Exemptions from Environmental Law for the Department of Defense: An Overview of Congressional Action.*)

For FY2006, the primary issue regarding DOE's cleanup of former nuclear weapons sites has been the adequacy of funding to address human health and environmental risks in a timely manner. There are differences in the House and Senate between authorized and appropriated amounts, which are significantly higher than the Administration's request of \$6.02 billion, but are less than the FY2005 appropriation of \$6.81 billion. As passed by the House, H.R. 2419 would appropriate \$6.47 billion, more than the authorization of \$6.31 billion that the House passed in H.R. 1815. As passed by the Senate, H.R. 2419 would appropriate \$6.37 billion, more than the authorization of \$6.19 billion approved by the Senate Armed Services Committee in reporting S. 1042. (See the "Environmental

Management” section in CRS Report RL32852, *Energy and Water Development: FY2006 Appropriations*.)

## **Alternative Fuels and Advanced Technology Vehicles**

(By Brent Yacobucci, Specialist in Environmental Policy, 7-9662)

The development of alternative fuels and advanced technology vehicles has emerged as a key issue in Congress. Advanced technology vehicles, such as hybrids and fuel cell vehicles, have the potential to significantly increase passenger-vehicle fuel economy and reduce vehicle emissions. However, mass-production of such vehicles is currently cost-prohibitive, and many technical and cost barriers are associated with producing, storing, and delivering these alternative fuels. Therefore, there is interest in Congress and the Administration in legislatively supporting vehicle and fuel development, and promoting their entry into the marketplace.

As noted above, the 109th Congress is considering comprehensive energy legislation, similar to unfinished legislation in the 108<sup>th</sup> Congress. As passed by the House April 21, 2005, H.R. 6 would authorize increased funding for hydrogen and fuel cell research, establish tax credits for the purchase of lean-burn vehicles, and promote biofuels. A key component of the House version of H.R. 6, a renewable fuels standard (RFS), would require the use of 5 billion gallons of renewable fuel in gasoline by 2012. Further, the bill grants blenders of renewable fuels and MTBE (another gasoline additive) a “safe harbor” from defective product liability. Similar liability protection for MTBE was included in the energy bill in the 108<sup>th</sup> Congress, and was cited as one of the impediments to the bill’s passage. The Senate passed its version of H.R. 6 on June 28, 2005. The Senate bill would establish an RFS of 8 billion gallons by 2012, and would grant a safe harbor to renewable fuels (but not MTBE).

The 109th Congress is also considering reauthorization of the highway authorization bill, TEA-21 (see above discussion on “Surface Transportation and Environment”). On March 10, 2005, the House passed its version of H.R. 3, the Transportation Equity Act: A Legacy for Users. Among other provisions, the House bill would reauthorize funding for various projects, including advanced technology and alternative fuel transit buses. Further, the House bill would allow states to exempt certain alternative fuel and high-efficiency vehicles from high occupancy vehicle (HOV) restrictions. The Senate version of H.R. 3, which passed May 17, 2005, would also provide funding for bus projects and grant states the authority to exempt certain vehicles from HOV restrictions. In addition, the Senate version establish a 50-cent-per-gallon tax credit for the sale of alternative fuels.

On October 22, 2004, the President signed P.L. 108 -357 (H.R. 4520), the American Jobs Creation Act of 2004. Among other provisions, the act eliminates the existing tax exemption for ethanol-blended gasoline and replaces it with a refundable tax credit. The law also establishes tax credits for the production and use of biodiesel fuel.

A key component of the Bush Administration’s environmental goals is focused on research on hydrogen fuel and fuel cells — through the Hydrogen Fuel and FreedomCAR initiatives. For FY2005, Congress appropriated a total of \$264 million for these initiatives; the Administration has requested a total of \$283 million for FY2006. Funding for these is considered in the Energy and Water Appropriations bill and the Interior and Related



Agencies Appropriations bill. (For further discussion, see CRS Issue Brief IB10128, *Alternative Fuels and Vehicles: Issues in Congress.*)

**Table 1. Action on Environmental Legislation in the 109<sup>th</sup> Congress**

Bill	Status	Purpose
H.R. 3 Transportation Equity Act: A Legacy for Users  [S. 732, the Safe, Accountable, Flexible and Efficient Transportation Equity Act of 2005 (SAFETEA)]	Passed the House March 10, 2005 (H.Rept. 109-12). Passed the Senate May 17, 2005	Among other provisions, would amend the Clean Air Act conformity provisions, and specify procedures to perform environmental reviews under NEPA for transportation projects. Would amend the DOT Act of 1966 regarding protection of historic sites, and specifies funding levels for projects intended to improve air quality and mitigate other environmental impacts
H.R. 6 Energy Policy Act of 2005	Passed the House April 21, 2005. Passed the Senate June 28, 2005 with several differences from the House version.	An omnibus energy bill. Various environmental provisions include expediting permitting, amendments to the Clean Air Act fuels requirements, funding for MTBE cleanup, and liability protection for renewable fuels and MTBE producers.
H.R. 280 Brownfields Redevelopment Enhancement Act	Ordered reported from House Financial Services Committee on March 16, 2005.	Makes HUD brownfields grants more accessible to smaller communities. Establishes a pilot program that includes brownfield planning.
H.R. 624 To amend the Federal Water Pollution Control Act to authorize appropriations for sewer overflow control grants.	Approved by House Transportation and Infrastructure Committee May 18, 2005 (H.Rept. 109-166)	Amends the Clean Water Act to re- authorize appropriations for sewer overflow grants (sec. 221)
H.R. 1359 To amend the Federal Water Pollution Control Act to extend the pilot program for alternative water source projects.	Approved by House Transportation and Infrastructure Committee May 18, 2005 (H.Rept. 109-167)	Amends the Clean Water Act to re- authorize pilot program for alternative water source projects.
H.R. 1815 National Defense Authorization Act for FY2006	Passed the House May 25, 2005 (H.Rept. 109-89).	Would authorize funding for national defense programs, including environmental cleanup at active, closed, and other former military installations, and former defense nuclear weapons sites. Does not include exemptions from the Clean Air Act, Solid Waste Disposal Act, and CERCLA that DOD had requested.

Bill	Status	Purpose
H.R. 2361 Interior, Environment and Related Agencies Appropriations Bill FY2006	Passed the Senate June 29, 2005 (S.Rept. 109-80)  Passed the House May 19, 2005 (H.Rept. 109-80)	Would fund EPA at \$7.88 billion for FY2006.  Would fund EPA at \$7.71 billion for FY2006.
H.R. 2419 Energy and Water Development Appropriations Act for FY2006	Passed the House May 24, 2005 (H.Rept. 109-86).  Passed the Senate July 1, 2005 (S.Rept. 109-84)	Would appropriate funding for environmental cleanup at former defense nuclear weapons sites.
H.R. 2528 Military Quality of Life and Veterans Affairs Appropriations Act for FY2006	Passed the House May 26, 2005 (H.Rept. 109-95).	Would appropriate funding for national defense programs, including environmental cleanup at active, closed, and other former military installations. Does not include exemptions from the Clean Air Act, Solid Waste Disposal Act, and CERCLA that DOD had requested.
S. 131 Clear Skies Act	Markup failed on a tie vote March 9, 2005.	A bill to amend the Clean Air Act to reduce air pollution from electric utilities through expansion of cap and trade programs, and to alter or delete current provisions of the Clean Air Act applicable to electric utilities.
S. 606 Reliable Fuels Act	Reported by Senate Committee on Environment and Public Works on May 26, 2005 (S.Rept. 109-74), then superseded by provisions incorporated into H.R. 6.	Requires the use of 6 billion gallons of renewable fuel by 2012. Bans the use of MTBE nationwide four years after enactment. Eliminates reformulated gasoline oxygen requirements.
S. 732 (H.R. 3) The Safe, Accountable, Flexible and Efficient Transportation Equity Act of 2005 (SAFETEA)	Approved by Senate Environment and Public Works Committee on March 17, 2005 (S.Rept. 109-53). Passed as H.R. 3 May 17, 2005	Environmental provisions similar to H.R. 3. In addition to historic sites, amendments to the DOT Act of 1966 would apply to publicly owned parks, recreation areas, wildlife and waterfowl refuges.
S. 1042 National Defense Authorization Act for FY2006	Reported by the Senate Armed Services Committee on May 17, 2005 (S.Rept. 109-69).	Would authorize funding for national defense programs, including environmental cleanup at active, closed, and other former military installations, and former defense nuclear weapons sites. Does not include exemptions from the Clean Air Act, Solid Waste Disposal Act, and CERCLA that DOD had requested.
S. 1400 Water Infrastructure Financing Act	Approved by Senate Environment and Public Works Committee July 20, 2005	Authorizes funds for clean water and drinking water state revolving fund programs.