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# The Business Council of New York State, Inc.

## MEMORANDUM

June 10, 2003

**TO:** Business Council Members

**FROM:** Ed Reinfurt

**RE:** Superfund Refinancing

As this session heads toward closure, and superfund/brownfield legislation continues to be the subject of discussions, I urge you to ask your state legislative representatives to oppose significant new hazardous waste fees that will adversely impact the state's manufacturing sector. Here are some talking points on this issue.

- These fees are simply unnecessary to finance a reasonable state superfund program. From FY 98 through 01, the DEC averaged \$76 million in annual disbursements for staff and capital costs for the superfund program. At present, the administration is proposing a \$65 million annual general fund transfer to the superfund account, plus the gradual transfer of about \$24 million in existing business fees from EQBA debt service to current superfund expenses. At a time when state finances are extremely tight, DEC staff has dropped by nearly 10 percent, the average cost per state financed cleanup is dropping, and existing funding is available for a 20 percent increase in program financing, we see no justification for additional business fees to support superfund.
- These fees will hurt manufacturers. At the high end, these surcharges will hit large manufacturers with permanent fee increases of up to \$360,000. On the other hand, by DEC's own data, these proposed surcharges will impact more than seven hundred entities, primarily manufacturers and primarily small and mid-sized businesses. We expect that, for many facilities, these fees will turn marginally profitable product lines into unprofitable ones. At a time when the state continues to lose manufacturing jobs at an alarming rate (99,000, or 1 in 9 industrial jobs, lost between June 2000 and

January 2003), the last thing we should be doing is adding to the in-state cost of doing business for manufacturers.

- Business already pays its "fair share . . . and more. Most superfund cleanups done in New York are already directly financed by responsible parties (primarily businesses) - more than \$2 billion to date. Add to that the significant cleanup dollars spend by businesses under the oil spill program and for RCRA corrective actions. In addition, businesses have paid more than \$400 million in fees (so far) to help finance DEC cleanups of municipal landfills and "orphan" sites (under the EQBA program), and the petroleum industry pays nearly \$30 million in annual fees to finance the state's oil spill fund.
- Remedial programs (and business fees) in New York already dwarf similar programs in other states. While its difficult to make "apples to apples" comparisons, it is clear that New York's existing fees for site cleanup programs far exceed those imposed in nearly all other states. According to a recent Environmental Law Institute study, New York's existing hazardous waste-related fees (waste end "special assessments," hazardous waste program fees and facility permit fees), which generate approximately \$13 million per year in revenues, exceed the total remediation expenditures of at least 33 individual states. And this figure excludes \$13 million in petroleum fees that support EQBA debt service, and the nearly \$30 million in additional petroleum fees that are dedicated to the state's oil spill account. If the proposed surcharges were adopted, the \$31 million in hazardous waste fees imposed on New York businesses would exceed the total remediation budgets of all but five states!

The Business Council has supported the permanent financing of a reasonably-sized superfund program. But we continue to oppose measures that would negatively impact our members and New York's business climate.

Please let me know if I can provide you with any additional information.