

P U B L I C H E A R I N G

before

ASSEMBLY AGRICULTURE AND ENVIRONMENT COMMITTEE

on

Assembly, No. 3215
(Hazardous Contingency Bond Act)

and

Assembly, No. 3209
(Hazardous Discharge Bond Act)

Held:
May 13, 1981
Union County Administration Building
Elizabeth, New Jersey

MEMBERS OF COMMITTEE PRESENT:

Assemblyman H. Donald Stewart, Chairman
Assemblywoman Barbara W. Mc Connell, Vice-Chairman
Assemblyman Raymond Lesniak
Assemblyman C. Louis Bassano
Assemblyman John O. Bennett

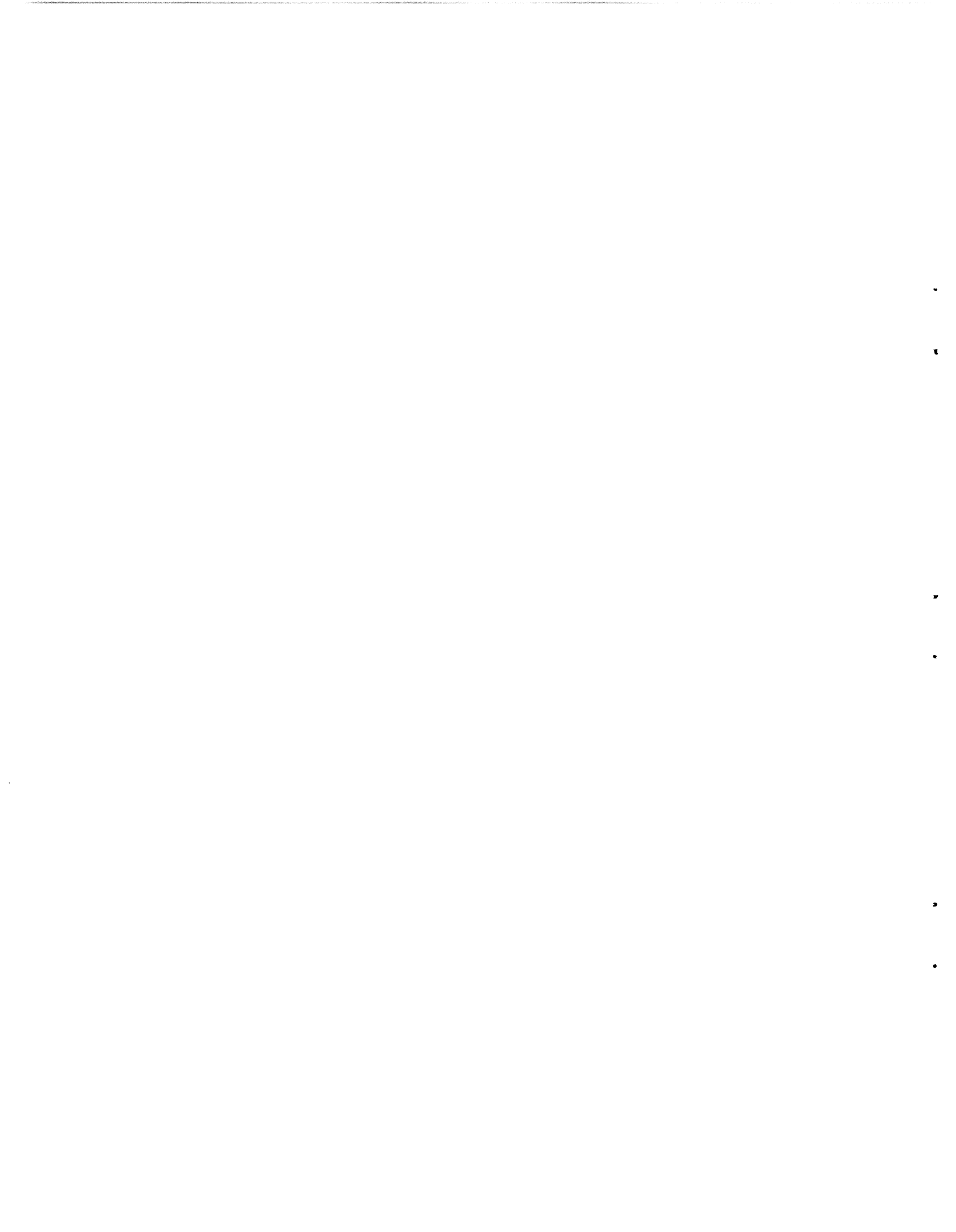
ALSO:

Norman Miller, Research Associate
Office of Legislative Services
Aide, Assembly Agriculture and Environment Committee

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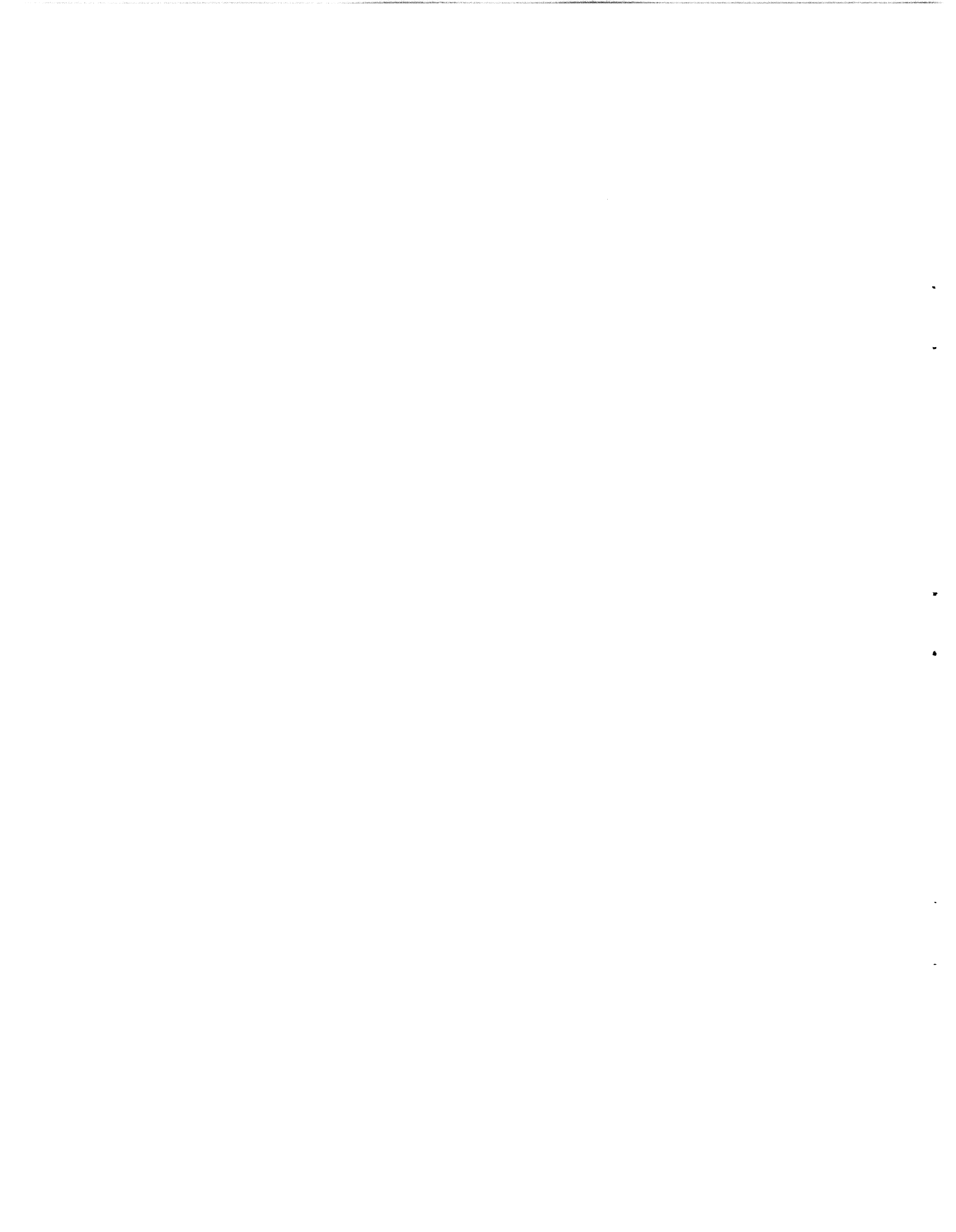
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ASSEMBLYMAN H. DONALD STEWART (Chairman): I will call the hearing to order, please. The purpose of this morning's meeting of the Assembly Environmental Committee is to discuss Assembly Bills 3209 and 3215 as required by the rules of the New Jersey General Assembly. According to those rules, a public hearing is required prior to either of these two pieces of legislation being considered by the Committee and being voted upon by the House as a whole. That is the reason we are holding this public hearing today.

Assembly Bill 3209 is sponsored by Assemblymen Lesniak, Doyle, and Matthews. Assembly Bill 3215 is sponsored by Assemblymen Bennett, Gluck, Stewart, Riley and Muhler. The first thing I would like to do is have the Committee staff give a brief synopsis of the two bills and how they differ.

N O R M A N M I L L E R: The two bills are substantially similar; nine out of the ten or so pages of each bill comprise standard bond language.

The purpose of both of these bills is to authorize the sale of bonds to pay for the clean-up and removal of hazardous discharges. The sole distinguishing characteristic of the two is that Assemblyman Lesniak's bill, A-3209, provides that the principal and interest for such bonds are to be paid by the New Jersey Spill Compensation Fund, and if that fund is unable - for one reason or another - to pay for this, then the principal and interest are to be paid by the sales tax, as provided in general state obligation bonds.

The bill sponsored by Assemblyman Bennett, A-3215, provides for the clean-up and removal of hazardous discharges by monies from general state obligation bonds unrelated to the Spill Compensation Fund.

Both of these bills respond to two problems which have been inherent in the clean-up and removal of hazardous discharges. One is the apparently chronic cash flow problem of the New Jersey Spill Compensation Fund itself. It is not a bankrupt fund; it simply cannot be a bankrupt fund. There are provisions in the law requiring an increase in the tax rate if the balance is insufficient to cover costs and claims.

But, disbursements from the fund - when there is a major hazardous waste discharge - can involve the expenditure of large sums of money over a very short period of time. And, since the revenues that the fund itself generates come in steadily but slowly, the time lag frequently causes the fund to be in a cash flow bind.

The other problem these bills respond to may have been created by the passage of the Federal "Superfund" Act, which, it has been alleged, precludes the collection of taxes by the State from chemical companies that pay into the Federal fund to the extent that the State and Federal funds have a common purpose.

ASSEMBLYMAN STEWART: Thank you. I will call as our first witness the sponsor of Assembly Bill 3209, Raymond Lesniak.

as best as we could receive it. But, the first part of the question that Norman pointed out, the request for the list of taxpayers we have not received a satisfactory answer. We were told that day they couldn't give us names, and we said to the Spill Fund Coordinator, "We don't need names. Just list for us by number a number of taxpayers and how much they paid." We did not receive that list yet either. I would hope that before we take a vote on these type issues that we strongly pursue that with the Director of the Spill Fund, because as many of you know, first of all, they agreed to give it to us. And number two, there has been considerable discussion that there are a number of firms who are not paying that tax right now, and that is one of the reasons why the fund is as low as it is. But, I would hope we are going to have that answer prior to the time we have to vote on these bills - even if it means we have to have a list that just has code numbers or code letters as to the number of taxpayers.

I personally, and I don't think anyone else on the Committee does, don't care how much Exxon or Dupont or Texaco is contributing. But, we do want to know how many of those type of companies are contributing. We can probably compare that with a list that industry can give us as to how many they think should be paying the tax. If they don't balance, and there is a big gap, we know something is wrong some place.

Any more questions on that before we get to Assemblyman Bennett? If not, I will call Assemblyman Bennett, sponsor of Assembly Bill 3215.

J O H N B E N N E T T: Thank you, Mr. Chairman. I would just like to say that I extend Assemblywoman Gluck's request that she is unable to be in attendance today. She is faced with a commitment in her own district which she has to meet, but had called me prior to my leaving this morning to review the testimony that would be given today.

The original concept of the \$100 million bond issue was introduced by Assemblywoman Gluck and myself in November of last year immediately following the elections. To relate something in an historical vein, at that time, there appeared to be serious questions as to whether or not the Federal "Superfund" which had been proposed was going to pass the closing session of Congress. Accordingly, the two of us had discussed it and felt that we should be prepared in the eventuality that the "Superfund" was not going to be created to address themselves to the needs of the residents of the State of New Jersey.

During that lame duck session, in fact a "Superfund" was passed by the United States Congress and became the law through an implementation of the Executive Order signed by President Carter and dated January 19, 1981. Immediately following the inauguration of the new president and the new administration, Assemblywoman Gluck and myself, as well as several other legislators, met with the Acting Director of the EPA in Washington at his Washington Office, to determine what ramifications would in fact be occasioned by the implementation of this "Superfund" and what we may expect from the State of New Jersey.

Unfortunately, our fears which had been in the papers, or had been reported as to the extent that "Superfund" would be able to deal with the problems in New Jersey were in fact confirmed by the Director of the EPA. Mr. Barbour told us that the size of the "Superfund" which is \$1.6 billion will be over a five-year period and will generate approximately \$300 million per year. The legislation as it passed, and as it became law, requires that every State in the union be designated one site in the first fifty sites that are going to be determined to be cleaned up, and then an additional fifty sites may be

spread throughout any of the fifty states. It is now, as Assemblyman Lesniak pointed out, our best estimate that in fact we will probably over the five-year period be receiving no more than \$75 million from this "Superfund" which will not address itself to the magnitude of the problem that we have in this State.

Accordingly, following that meeting there have been many discussions on the concept of the bond issue. Assemblyman Lesniak, as well as Assemblywoman Gluck and myself, have met on several occasions to determine the best direction that we would be able to take. Certainly, the questions that were brought up by Assemblyman Lesniak with respect to the preemption language contained in the Federal legislation, as well as the cash flow problems that we have encountered, led us to believe that it would be necessary to have the first priority of the bond issue to be dependent upon the general revenues. However, we have had the opportunity to further review this with Assemblyman Lesniak, and there is little doubt - at least in my mind - that if it is at all possible for the Spill Compensation Fund to provide the monies to pay the principal and debt service of these bonds, that essentially that is where the emphasis should be placed. That is who should be paying for the retirement of these bonds.

In the event that because of one of the problems that we have not resolved to date, that the Spill Compensation Fund cannot furnish those dollars, then it would be incumbent upon the general obligations of the State to pick up these monies. That is both Assemblywoman Gluck's and my position as I understand it from Hazel. We have been working together. As Assemblyman Lesniak said, last Friday we appeared before the Capital Needs and Budgeting Commission for the third time that they considered the concept and they too left the ultimate decision as to how the monies would be paid into the legislative function. However, they did endorse the concept of the \$100 million bond issues to be used for the clean-up at the hazardous waste sites in the State of New Jersey for the Legislature and the legislative actions, we will work towards the resolution of how this would be the best proposal to turn around and place on the ballot.

As far as the history, we have heard Assemblyman Lesniak talk about the Spill Compensation Fund and the work that it has been able to perform here at the chemical control site, which I feel is admirable that we were able to address ourselves to such a problem of such magnitude which is a very real threat to our people in the City of Elizabeth and the surrounding area.

However, I feel it is important, and one of the things that I have attempted to do, as we talk about this issue, is to point out to everyone that it is not a problem that is unique to the urban centers of our State. In the County of Monmouth yesterday, several of the legislators, as well as some county officials, went on a tour of some sites in Monmouth County, which is certainly a suburban area, to view the problem as it exists in the County of Monmouth. In one township we visited four sites, including the Burnt Fly bog site, which has been designated by the DEP as one of the three largest problems in the State of New Jersey. Fortunately, we have received engineering monies in the amount of \$325,000 to do preliminary engineering work with the hope that this will be one of the sites in the State of New Jersey which will qualify for Federal monies under this "Superfund" legislation. The three additional sites are significantly smaller, but within a radius of three miles from the Burnt Fly bog site, and I am hopeful that when the Burnt Fly bog site is done, we may in fact get the satellite landfills clean through these monies.

The Legislature is presently having hearings on the bond issue for \$345 million to insure that the State of New Jersey is going to have sufficient quantities of water to service the future residents of the State. I believe very strongly that that is important. But, I also believe that rather than just addressing ourselves to the quantity of waters in this State, we must address ourselves immediately to insuring that the quality of that water is going to be such that the people are going to be able to drink it without a detriment to their health and general welfare.

To see headlines in a newspaper that a mother and child have to be relocated from their area because of a well on their property containing such a high concentration of lead, that the child had secured lead poisoning, to see that animals have to be removed from farms - and in this particular case, race horses due to foudls being born with visible birth defects - and to have 250 people tested for lead content in their blood, are all recent headlines which have occurred in the County of Monmouth. The bond issue for the quantity of waters deals with a specific reservoir to be constructed along the Manasquan River to provide waters for Monmouth and Ocean Counties.

Yesterday, one of the additional sites reviewed was a landfill which has been closed by order since 1979, which is contained immediately on the headwaters of the Manasquan River. An EPA report issued in December of last year informed us that there were 2000 gallons of leachant coming from this landfill and going into the headwaters on a daily basis. Since that time, in fact, our county health officers inform us that this amount has increased as the amount of the breakdown of drums for a period of years deposited in this landfill and covered with dirt continues to break down. A personal observation as we were on tour shows that the leachant is not located in any one area, but it is in fact discharging itself throughout the peripheral edge of the landfill which is some sixty acres. I think it is critical that we address ourselves to cleaning up such a site as we have in the lone pinelands belt where the present owners are either bankrupt or in fact have insufficient monies to be responsible themselves for the clean-up and while litigation and lawsuits may in fact produce some dollars in the longrun. I am not discouraging those lawsuits from taking place. We cannot wait to secure the monies through some ultimate recovery. This would be one site that I feel would be critical in addressing ourselves to a clean-up. The pictures that Assemblyman Lesniak shows you are in fact a site where barrels were opened and in full view. Our problems in the more suburban areas are where barrels have been deposited illegally in landfills covered with dirt, and now some twenty years in many cases the barrels are breaking down and the contents are spilling themselves into our water sources.

The Star Ledger has also given us several stories in recent times including other areas of the State besides Monmouth County in the northwestern part of the state on the serious problems they are facing, and we are aware in the southern part of the state where the landfills - in fact two of them - have been designated as preliminary engineering work to be done with the hope of ultimate monies coming from the "Superfund."

I feel very strongly that we cannot wait any longer; that in an effort to make planning and good use of what we will be doing with dollars in this State, that we should not wait as so often happens until the time that we have an emergency or an immediate crisis that we have to respond to. I am not understating the severity of the problem in the State; however, I feel

that if we attempt to adjust ourselves to addressing the problem now with the hoped \$75 million from the "Superfund" as well as the \$100 million in these bond issues, we may be able to face some of the more severe problems. Then, as time goes on and as additional amounts of monies are needed we will be able to secure them through additional work to our Spill Compensation Fund. I do feel it is a critical issue that needs to be addressed, and the people in the State of New Jersey, I feel, would be very supportive of this concept. I appreciate the opportunity to be able to make these comments to you today, Mr. Chairman.

ASSEMBLYMAN STEWART: John, let me try to understand. Are we saying that we need \$50 million to \$75 million over the next five years, whether we anticipate getting \$50 million to \$75 million from the "Superfund"?

ASSEMBLYMAN BENNETT: We anticipate getting a maximum of \$75 million from the "Superfund" over the next five years. We, in fact, could use more than that.

ASSEMBLYMAN STEWART: Has there ever been an estimate, to your knowledge, as to what we might need over the next couple of years?

ASSEMBLYMAN BENNETT: About one billion dollars.

ASSEMBLYMAN STEWART: I wonder if you would give me a brief description as to what the difference is between your method of bonding, and Ray Lesniak's method of bonding, and what the difference is, and is it a big difference one way or the other, and how are we as a Committee to make a decision as to which way we are going to go?

ASSEMBLYMAN BENNETT: Well, Mr. Chairman, the original bill that Assemblywoman Gluck and I were the sponsors of did not touch the Spill Compensation Fund at all. It was strictly and totally bonds that would be backed by the general revenues of the State of New Jersey. Assemblyman Lesniak's bond issue has the first obligation upon the Spill Compensation Fund.

ASSEMBLYMAN STEWART: What is the reasoning behind your approach?

ASSEMBLYMAN BENNETT: The reasoning was that the Spill Compensation Fund, due to the two problems that Ray talked about, the cash flow problems of the Spill Compensation Fund, and the preemption clauses in the Federal legislation, would create serious problems in the sale of the bonds.

However, my position is such that I feel that the actual concepts can be merged by this Committee and that the first obligation will in fact be upon the Spill Compensation Fund. That is where I feel it should be. If those problems exist, then bond sales would be able to go through, because hopefully this Committee would be able to say there is no question if the Spill Compensation Fund doesn't have the money, the general revenues will stand behind them.

ASSEMBLYMAN STEWART: Are you saying that we have the option of merging these two concepts---

ASSEMBLYMAN BENNETT: That's correct.

ASSEMBLYMAN STEWART: ---and giving the powers to be down the road the option of going whichever way is feasible at that time.

ASSEMBLYMAN BENNETT: Correct.

ASSEMBLYMAN LESNIAK: Mr. Chairman, if I may respond to that question. That is basically what we do. We merged Assemblyman Bennett's and Assemblywoman Gluck's concept of the bonds with my belief that the petrochemical industry ought to be contributing towards this clean-up effort. And, therefore, through the legislation in the alternative the first responsibility would be the Spill Fund. If the Spill Fund were not sufficient for reasons outlined prior, then

in the alternative we would use the general revenues of the State of New Jersey.

ASSEMBLYMAN STEWART: You are placing the faith of the State behind the bonds?

ASSEMBLYMAN LESNIAK: Right, the general revenues of the State of New Jersey after this Spill Compensation Fund.

ASSEMBLYMAN STEWART: Are there any other questions before we move on to some of the other witnesses?

ASSEMBLYWOMAN MC CONNELL: Yes. I would like to ask a question. If we have already spent \$20 million on the clean-up of chemical control, and this bond issue includes what, \$100 million, and it is my understanding that there are over 400 identified sites in this State that need cleaning up. It appears to me that this \$100 million is not going to go very far. Is this just a one-shot deal? Do you plan to come back later with another bond issue? According to your testimony - and I am in complete agreement with you, if there is a water bond issue for \$345 million it will be on the ballot this year - it seems to me that we should be concerned about cleaning up these sites and the quality of water, before we begin to think about the quantity of water.

So, why are you limiting this bond issue to \$100 million when it is obvious to me that we are going to need much, much more than that?

ASSEMBLYMAN LESNIAK: If I may respond, there is a problem with the capability of the State to spend the money over a certain period of time. This work does involve very technical equipment and very sophisticated techniques, because we are dealing with very dangerous substances. The State - and I understand that Commissioner English will be here about twelve-thirty - has told us that they really couldn't spend any more money in terms of capability, in terms of manpower and women power over more than one or two years. So, I would be willing to go for more. It is just a question that I think it would be better to assess those needs after we get this through and passed at that time.

ASSEMBLYMAN BENNETT: Barbara, I totally agree with you that the \$100 million is not going to be enough. I am hopeful that the \$100 million in addition to the projected \$75 million from the "Superfund" will allow us to adjust ourselves to some of the immediate problems. To say that we are not going to be in a position to come back would not be accurate. But, we can only spend so many dollars at a time and as a very real and very practical problem, with the \$345 million bond issue, the \$50 million farmland bond issue, and the \$80 million for a building bond issue, there reaches a point that you can only go so far. I felt that rather than taking a chance that the ballot have so many bond issues on it that it would not be possible for the State to maintain their bond rating in order to insure a lower interest rate that we have probably gone as far as we can without placing any further jeopardy. We may have to come back. We may find another answer in that period of that two years that we have to spend.

If I had my own personal preference, today I would be speaking for \$345 million for the quality and then perhaps \$100 million for the quantity and reverse it that way. But, we don't have that opportunity, really, before us. I agree with you that before we go further with quantity, I would like to make certain that we could clean up what we have. But, I don't have a better answer for you.

ASSEMBLYWOMAN MC CONNELL: Well, I certainly understand our financial limitations, but I think again here it is a matter of priorities. Obviously, we have a water crisis, but also, what good does it do if we have all the water

in the world and it is polluted? What good does it do if we save all the farmland in the world, if the groundwater in that farmland is poisoned and polluted? So, it is a matter of priorities. It is obvious to me that you are going to need more than \$100 million to even begin to attack the problem that exists in this State. But, I certainly am aware as well as anybody what our financial limitations are. Perhaps we should have some of these bond issues reversed in terms of the amount of dollars that we are spending.

ASSEMBLYMAN STEWART: Possibly some of the other people who are going to talk to us could elaborate on that question also as to the amount of the bond issue.

ASSEMBLYMAN LESNIAK: John, the Lone Pine problem, that is a landfill problem?

ASSEMBLYMAN BENNETT: Yes, it is.

ASSEMBLYMAN LESNIAK: Can you briefly describe in area the type of problem that is? I know I read something about it in the papers, but you have been there.

ASSEMBLYMAN BENNETT: I was there as recently as yesterday. It is approximately a 60-acre tract of property that is located with residential homes and residential wells no further away than 500 feet from the edges of the landfill. It was placed immediately on top of the headwaters of the Manasquan River with now a stream which is the origin of the river passing immediately alongside of the landfill.

It was only legal to use the landfill for the disposal of household and private garbage. It was not a hazardous waste landfill. However, as happens at so many sites, at least many hundreds and estimates of many thousands of barrels were dumped together with the garbage and then covered over. The peripheral edge of the landfill is one that is located in somewhat of a rural setting. As I said, there are wells as opposed to municipal facilities in this area, but it is a very picturesque general area.

Unfortunately, one of the things that we found most shocking yesterday was the total lack of life and vegetation of any manner whatsoever surrounding the landfill. Along the streams there are trees that I would estimate would be forty or fifty years old that are not just scrub maples, but in fact large trees completely dead. The vegetation along the sides of the brooks are completely dead and with no green at this time of the year. There is nothing green there whatsoever. The stench from the area is such that we had to go there in the morning as I am told in the afternoon in the hot sun it is totally impossible for a human being to go on the property with the chemicals, gases, that are escaping from the area.

ASSEMBLYMAN LESNIAK: Who is the owner?

ASSEMBLYMAN STEWART: Might I interrupt for a second? We are really getting off the point of the public hearing today. We could probably sit here and talk about some of these sites forever, but I think we ought to get some testimony on the bond issues and discuss some of the problems. I think the point is made that there are some very severe problems in the State. I don't want to cut your discussion short, but we do have some people here who want to testify.

ASSEMBLYMAN BASSANO: I have just one very fast question. I don't know which one of you can answer this. On the \$100 million dollar bond issue, if this bond issue goes through and this \$100 million is spent to clean up toxic

sites in the State, and we continue to collect money from chemical companies throughout the State, will the first obligation from that particular fund be to pay that bond issue back, or can the Governor, whoever it may be at the time, make a decision that the general revenue of the State should pay the bond issue back - the revenue then collected from the chemical plants going into additional clean-up?

I don't know how that is worded in here.

ASSEMBLYMAN LESNIAK: The first obligation would be to pay the bonds. It would then be up to the Legislature if you wanted to take it out of the general revenue.

ASSEMBLYMAN BASSANO: But it would not necessarily have to come out of the fund itself?

ASSEMBLYMAN LESNIAK: The first obligation of the fund would be to pay the bonds.

ASSEMBLYMAN BASSANO: But assuming that a future governor wanted to take it out of the general revenue and then dedicate that money which is in the fund for additional clean-up, that can be done.

ASSEMBLYMAN LESNIAK: I don't think so. It would be up to the legislature to pass additional legislation to supplement the fund.

ASSEMBLYMAN BASSANO: Well, then, what I see happening at this point is that we are going to spend \$100 million and then clean up is going to cease for quite a long time.

ASSEMBLYMAN LESNIAK: Not if the legislature bites the bullet and takes a stand like we did last year. I think we will have to do that. But, until we --- I think we are taking a stand right now. I think we will continue to be asked to do something about this problem for the next four or five years.

ASSEMBLYMAN BASSANO: Obviously it is going to be with us for quite some time.

ASSEMBLYMAN STEWART: Any further questions? If not, our next witness will be James Benton from the New Jersey Petroleum Council.

J A M E S B E N T O N: Good morning, Mr. Chairman, members of the Committee. My name is James Benton; I am the Associate Director of the New Jersey Petroleum Council. I am pleased to be here before you today to comment on two pieces of legislation, Assembly Bill 3209 and 3215.

The matter before your Committee today as proposed in A-3209 and A-3215, that is, a \$100 million bond issue today to pay for the cleanup and removal of hazardous discharges is obviously of great interest to our industry since petroleum companies are taxed for support of the present Spill Compensation and Control Act.

Since the inception into law in 1976, the great bulk of monies paid into the Spill Fund has come from oil companies, and as we now know, well over 95% of the expenditures have been for the cleanup of spills that were not petroleum in nature. For example, as of the most recent report issued for fiscal year 1980, which is a June 30th report, only \$26,000 of more than \$2.6 million in expenditures had gone for petroleum spills. The proportion today is undoubtedly higher because of the major expenditures of the chemical cleanup right here in Elizabeth. It is our understanding that the primary reason for today's hearing is to consider the concept of whether future cleanups of hazardous discharges should be financed through the issuance of bonds, rather than relying on the present pay-as-you-go approach.

It may be difficult to decide if the bonding approach would be the most prudent. The State, for instance, appears to have no clear idea as of now how much money will be available from the recently passed Federal "Superfund." Also, unclear, until pending lawsuits are decided, is the extent of the "Superfund" preemption language. What we do know is that the Spill Fund administered by the State is now at a low ebb, and was at one point in deficit. New legislation to further amend its enabling act is presently under discussion, and certainly these discussions affect the fund, and its uses can better be made after further discussions on those matters.

All these points, of course, especially the outcome of the lawsuits on preemption should be of particular interest to the bond counsel and to this Committee and their comments on a securer source of revenue. A further complication from our own standpoint is the fact that we simply did not have enough time and advance notice that this hearing was to be held today to consult with our members to resolve this issue from a policy standpoint of the New Jersey Petroleum Council.

We decided, however, to appear for one basic, one simple purpose, to urge this Committee, in the event that it does favor the bonding concept, which is a decision that is made by this Committee and the legislature, not to approve a bill which would use the Spill Compensation Fund as it is presently constituted as the primary source for repayment of principal and interest. If this is done, then the entire burden of solving what may be a general societal problem will fall upon one or two specific industries. That, we submit, would be wrong.

In our own case, the petroleum industry, we have been, and I believe we will continue to be, willing to pay for clean-ups of spills from which we are responsible. However, we strongly resist being taxed to correct the mistakes of others, in particular the mistakes of others who were here previously and have now left.

For these reasons, we cannot support the bonding concept as contained in A-3209. This would lock us into a tax for as long as 35 years to support a fund retiring a bond issue, regardless of how effective and what good records we may have in achieving a positive experience in New Jersey. The millions of dollars we would continue paying into the Spill Fund would have their effectiveness diluted by payment of interest and might never be used for the purpose they originally were intended. In these respects, without expressing a view as to whether the bond is wise or not - which is a legislative decision - Assembly Bill 3215 presently would appear to be the the fairer in our view of the two bills before you today. Since it would repay the bonds out of general taxation, which includes other business taxes, a sales tax, it could well prove more attractive to the bond market.

In summary, we realize it is not our role as an industry to decide whether the best method for attacking the massive hazardous discharge problem is to incorporate the bonding approach. This decision, with all its ramifications, is clearly the prerogative of the Legislature, and in the final analysis of the voters. But, we ask you again to consider in your deliberations the unfairness of tying the repayment of a bond issue to the present Spill Compensation Fund.

Mr. Chairman, that concludes my prepared remarks. I have copies, which I will distribute to you. I guess to summarize the key point, and my reason for appearing today is the Spill Compensation Fund, which I know you

are very familiar with, since its enactment in the 1976 session, as presently constituted. I know there are discussions presently underway to revise some of the methods of payment into the Spill Fund, and some of the ramifications of the experience that we have had with the Spill Fund. The Spill Fund as presently constituted is a dedicated, specialized form of taxation that is not designed to provide principal and interest on a revenue bond. That, together with the unclarified questions of the preemption provisions - which is the subject of litigation from Assemblyman Lesniak, from the State Attorney General, and now I understand from the Counsel from the Senate, and perhaps others that will join in later, at the present time - need to be resolved, and we feel based on what limited experience we have that it would certainly be a problem in floating these revenue bonds for the clean-up.

Don't misunderstand, my intention is not to comment directly on whether \$100 million is enough or not. I certainly am very familiar with the magnitude of the problem here in New Jersey, as I live in New Jersey also. My comments are solely on dedicating the Spill Fund to the payment of the principal and interest. Thank you very much, Mr. Chairman. I would be happy to answer any questions you might have.

ASSEMBLYMAN STEWART: Jim, it seems that your whole argument is based on the "present" Spill Compensation Fund. And, your problem that you mentioned in the beginning was the inequity that you say exists and who pays the tax and where the claims come from. Assuming that situation were rectified, and that a fairer method or a division of the two funds is made, how does that affect your opinion of the bond issue, using the fund to pay the principal and interest?

In other words, suppose we had two separate funds, one for petroleum and one for chemical? What would you say about that.

MR. BENTON: Mr. Chairman, it is rather difficult to speculate on what the ultimate package might be as far as revision to the present Spill Fund. Certainly, the Petroleum Council today, as it has in the past, has gone on record in favor of split funds designed for each industry, particularly the petroleum industry to clean up petroleum spills.

The key word, I think, in addition to the "present" fund would be the nature of spills, and spill legislation. A tax system that is designed to generate revenue would be - as I understand it - designed to clean up spills that are actual spills that are occurring and have occurred. Perhaps other areas which need to be addressed, which I am certainly not familiar with, would be the long-term problem, hazardous waste clean-up, and distinguishing between the actual spill and the actual hazardous waste site clean-up.

ASSEMBLYMAN STEWART: I realize you can't speak for your whole industry. And, if you can't---

MR. BENTON: I can speak for the petroleum industry---

ASSEMBLYMAN STEWART: You can? Well, my question is if we were only talking about the petroleum fund, if we had a separate petroleum fund and a separate chemical fund, and the principal and interest would be drawn from the chemical fund, obviously, for a chemical spill, what then would be any objection that the Petroleum Council would have with that? Wouldn't that eliminate the objection you have to the unfair use of those funds?

MR. BENTON: It certainly would go a long way in clarifying some of the problem areas.

ASSEMBLYMAN STEWART: I don't want to get off into a discussion about separating the funds at this point, because that is another argument.

Maybe you could just touch on this. The discussion always boils down to someone finally saying that we are really talking about the same companies who are in both businesses, and really there is not a lot of difference between the two when it gets down to the nitty-gritty. Can you comment briefly on that?

MR. BENTON: I think the nature of the difference between chemical companies and oil companies are very distinct, although they may be similar in many people's minds. I think generally it is a misconception. Certainly, many of the petroleum companies - and there is one right here down the road - have substantial chemical operations that are present and active here in New Jersey. Many of the oil companies do. There is no question about that. But, I think as far as the Spill Fund, there is an experience there that distinctly separates the chemical operations of the oil companies from the oil companies themselves. I think there is a very distinct difference.

ASSEMBLYMAN STEWART: Any other questions?

ASSEMBLYMAN LESNIAK: I know we discussed this many times regarding the different roles of the two industries, but we do have a problem, Jim. In Marlboro Township that major problem is an oil spill and it has not been addressed by the current Spill Fund. I think we have to resolve why the administrator has not addressed that problem.

There are questions such as that, and you certainly do not object to the oil industry paying for those type of spills that occur out of the fund; is that correct?

MR. BENTON: That is correct. Through you, Mr. Chairman, I have verbally stated this. It is here in writing. Generally, the petroleum industry has always been responsible and willing to clean up those spills that do occur, those that are petroleum in nature. That was the original intent of the Spill Fund. The original intent, as you are probably aware, was to address itself to the potential impact of the offshore drilling, and we have certainly come a long way from that day.

Make no question about it, the petroleum industry, as I said here in my statement, and I say to you again today, we would be willing to clean up.

ASSEMBLYMAN LESNIAK: There is an industry that we haven't gotten to and that is the generators of the waste, and as you know, we have been trying to get some legislation through to shift that burden to make it fall more equitably on the people who are responsible.

MR. BENTON: The problem to date has been, despite substantial tax revenue from the oil industry, substantially hazardous waste in nature, and not petroleum related. That is the basic thrust of my presentation here today.

ASSEMBLYMAN BENNETT: That may be true with what has been expended on the two sites where the largest bulk of the money has been used, and I agree with you both in chemical controls, as well as down in Plumsted. However, we are going on the Burnt Fly Bog proposal and to "Superfund" ours, which, to a very large degree, is in fact an oil base problem from oil discharged directly into the lagoons and the soils.

In addition, the most recent discovery in the county was the Imperial Oil Company site which also is a recent immediate discharge which has been occurring recently, and accordingly I requested the accelerator clause be activated.

It could conceivably, however, be determined by the DEP that Imperial Oil was the next site to be cleaned up in the State of New Jersey. The chemical company then would be contributing their dollars towards the clean-up of an oil base problem. That conceivably could happen, too.

MR. BENTON: It conceivably could happen. I would suggest that a review of the history of the Spill Fund would indicate that had the funds been separate from the beginning, which we originally suggested, that the money from the petroleum side would be available to clean up a situation that might exist. But, I am not personally familiar with this. Had the funds been separate, the money would be there. That is in essence what I am talking about as far as amendments to the Spill Fund.

ASSEMBLYMAN BENNETT: I agree with you in concept. But, unfortunately, if they had not been together we would not have had the monies and the funds to do chemical control. At the end of this year, if it is an oil problem, if we did not have the chemical monies, then that alone by itself might have to activate the accelerator clause in order to deal with an oil problem and have the chemical companies pay. I just feel that the two sites that we started with happen to have been both chemical.

MR. BENTON: It seems to me, if I may, Mr. Chairman, that this is all the more reason, perhaps, to take a look at the operation of the Spill Fund and the way it has worked and review with hard information before you some of the experiences under the operation of the present Spill Fund.

ASSEMBLYMAN STEWART: It is my feeling that we got a little bit off on to that separating of the funds. That is fine. That is a discussion I think we are going to have on another day. So, maybe we ought to get back to the subject at hand.

Assemblyman Bassano has a question about the present Spill Fund.

ASSEMBLYMAN BASSANO: It appears to me that we have two pieces of legislation that are very similar in nature, and I think most of us agree that there is a need for one or the other or a merging of the two pieces of legislation. I think we ought to take a good close look, though, at the problem as it exists in the State and look at which way would be the fastest way to clean up the environment and the problems that we have.

I think A-3215 would probably do that on a much quicker basis than if we adopted the concept of A-3209. The reason why I say this is that it is my understanding that it is going to take two years to use that \$100 million that would be appropriated under A-3215. This would give the Spill Fund two years to build up some additional revenue, at which point, once the money in the bond issue was depleted, you would then be able to turn to the Spill Compensation Fund to continue the work that was started throughout the State. \$100 million is roughly 10% of what is really needed. I think it is an issue right now that is in the minds of the voters. I think it is an issue that they are concerned with. Placing a bond issue of this type on the ballot in November, I feel confident that it will go through.

To some extent it is a problem of society, and I think that society in general is going to have to address this problem. By adopting A-3215 that is what we would be doing. I don't know the thinking of anyone else, but that is just my personal opinion as to what I see before me.

ASSEMBLYMAN STEWART: We are going to get to that point, too, when the Committee sits down and talks about voting on these bills, should we amend them, should we change them, should we merge them? But, right now let's get on to our next participant, Mr. William Singer of the New Jersey Environmental Lobby.

W I L L I A M S . S I N G E R : Good morning. I am William S. Singer, Legislative Agent for the New Jersey Environmental Lobby formerly known as the League for Conservation Legislation.

I am happy to be here today to testify in favor of A-3209 and A-3215 known as the Hazardous Discharge Bond Acts. The New Jersey Environmental Lobby has supported previous legislation to provide funding for the clean up and removal of hazardous discharges in the State of New Jersey. We supported Assemblyman Lesniak's original legislation to amend the Spill Compensation and Control Act to cover these illegal and unsafe discharges.

We now strongly urge this Committee to approve this proposed legislation. Identification, clean-up and removal of hazardous discharges will benefit all citizens of the State. These discharges represent an unhealthy and unsafe condition which could lead to untold dangers. Our natural resources, most particularly our water supply, are threatened by irreversible pollution. Citizens throughout the State have found they are drinking contaminated water. The rest of the populace lives in fear of contamination of their drinking water. The media has fanned the flames and raised the public's concern to a fever pitch.

Assemblymen Lesniak and Bennett are to be congratulated for the introduction of this legislation at this time. We should strike while the iron is hot. Now that the public is aroused on this issue, voters will certainly approve expenditure of funds for the cleanup of these catastrophies.

The New Jersey Capital Budgeting and Planning Commission was correct in its approval of these projects for bonding purposes. We face a serious environmental problem which needs immediate attention. Protection of our resources is paramount. The State's capital, so to speak, is in imminent danger.

The previous state and federal legislation to meet these needs were steps in the right direction. However, the funds provided for cleaning up the mess in the New Jersey laws were never adequate. One wonders whether the amount in this bond issue is even sufficient. I think what Assemblyman Bennett said earlier today - that we need about one billion dollars - shows that it is not adequate. The federal legislation still faces interpretation and funding. The amount of time to overcome these roadblocks is unclear. Therefore, we strongly urge you to move ahead to provide these additional funds.

The New Jersey Environmental Lobby suggests that the language as to how these funds can be spent in Section 15 of both bills be clarified. Presently, it states that the funds can be appropriated only for the cleanup and removal of discharges not subject to the Spill Compensation and Control Act or any other state or federal law. This requirement seems unnecessarily restrictive. If you accept Assemblyman Lesniak's proposal for repayment of the bonds from Spill Act Funds, the bonds should be appropriated for at least discharges described in the Spill Act. The permissible uses for the money should be broadened and simplified.

As an aside, it should be noted that in order to alleviate this hazardous waste disposal problem New Jersey needs to see that proper disposal facilities are constructed. A key to the solution is S-1300 which has come to rest in this Committee. There are many pressing problems facing this Committee, but S-1300 should soon be continued on its legislative course. That bill has wide support and deserves to be passed as soon as possible. Passage of S-1300 will complement passage of the proposals before you today.

To return to the matter at hand today, this Committee should move forward expeditiously on this proposal for the November ballot. The potential for irreversible damage to the health and safety of New Jersey citizens is apparent. The support of this state's citizens to correct this critical situation is also clear. Either of these bills will provide the state a means to ameliorate the festering problem of hazardous waste discharge.

ASSEMBLYMAN STEWART: Thank you. Bill, do you have any comment on the claim of the DEP that they could not spend any more than this in the next couple of years?

MR. SINGER: I don't know whether that is true or not, but it would seem to me if we now have the public's attention to spend the money, maybe we should be appropriating more, and, that is, have it spent over a longer period of time. If we go back in three years, there may not be the same atmosphere. I thought that what Assemblywoman Mc Connell talked about, changing the \$345 million on the water quantity and \$100 million on the water quality really made a lot of sense to me, because in the water quality bond issue we are giving them a blank check. They are not even telling us what projects they are going to fund with the money. They don't know.

We know what we need to do here. It is very clear. I would be in favor of more money being spent on this and less money being spent on the other.

ASSEMBLYMAN STEWART: Are there any other questions? By the way, you may or may not know, the public hearing or a public meeting on A-1300 is scheduled for a week from tomorrow.

MR. SINGER: No, I didn't know. That is very good to hear.

ASSEMBLYWOMAN MC CONNELL: Can I ask one question, Mr. Chairman?

ASSEMBLYMAN STEWART: Surely.

ASSEMBLYWOMAN MC CONNELL: Perhaps you do address this in your testimony when you talk about the need for clarification under Section 15, but what are your thoughts about whether or not this Spill Compensation Fund should pay for the principal and interest or whether it should come out of general revenues? Could you make a comment on that?

MR. SINGER: I can see the advantage of having the money come out of general revenues, because it would seem to me that would free up extra money from the Spill Act to be used additionally for sites. I could go either way on that. I don't know if the funding makes more sense to come out of the Spill Act to pay for the bonds. But, certainly, I would like to see as much money spent on this problem as possible.

ASSEMBLYMAN STEWART: Thank you very much. Our next witness is Mr. Fred Butler, Commissioner on the Capital Budgeting and Planning Commission.

F R E D B U T L E R: Thank you, Mr. Chairman. I am the Deputy Director of the Capital Budgeting Commission, and I am here to review the decision that was made by the Commission last Friday to support or to recommend the inclusion on the ballot of a \$100 million bond issue for the cleanup of toxic waste.

Let me back-track just a little bit and discuss the Commission's role. As most of you are aware, the Commission is charged with reviewing proposed capital projects within the State, and also to recommend the funding, the financing for those capital projects, whether from the general fund or from a bond issue.

In terms of the question of cleanup of hazardous waste, there was no question in the minds of the Commissioners as to the need for this program.

That goes without saying. The question, really, revolved around the method of financing. There were those on the Commission who felt that to bond for this type of project means really that you are paying twice as much money as you have available, given the costs of interest over 25 or 35 years - for a \$100 million bond, you really are repaying \$250 million. So, there were those members who felt that in order to provide the maximum amount of monies for cleanup that there probably should be an annual appropriation of \$10 million or \$20 million over the course of the next years, which would provide that much money for cleanup and not half for cleanup and not half for the payment of interest, as would be the case under the bonds.

However, the majority opinion was, to request of future legislatures that kind of an appropriation may not be terribly realistic, and the State ought to make a stand at this point, even though it is as previous testimony has indicated, a small portion of what is needed, but the State ought to go now to bonding as a method of cleanup for this hazardous waste.

Several legal questions were discussed by the Commission. The current status of the Spill Fund, and the impact upon that of the Federal "Superfund" legislation with the preemption clause, the use of the Spill Fund to repay the bonds was a question that was discussed by the Commission. They felt that at this point given litigation that is ongoing, given questions about the size and the nature of the New Jersey Spill Fund, we would recommend the concept of the \$100 million bond issue at this point, and leave the decision as to what form repayment would take to the legislature and to this Committee as a beginning.

I would like to point out that the Commission does realize that the \$100 million is not sufficient. Two points on that - one, we see this as an ongoing program. We see this as a program that will necessitate further bond issues in future years along the lines of the Green Acres Program, which has had every two years or four years an infusion of new bonding authorization into that program.

Second, the question has arisen in the Commission among Commission members, as to the breakdown between the water supply bond issue and the toxic waste cleanup. It is not clear to several members of the Commission that the monies for the water supply bond issue could not be used for cleanup of hazardous wastes, specifically if they are cited in an area which would endanger water supply facilities that are being constructed. Specifically, the question came up about the Lone Pine Landfill. If we are creating a reservoir on the Manasquan, is it not part of the creation of that reservoir that we assure that the water that will be collected by that facility would be pure and untainted?

This has not been resolved. The bond issue for water supply, I would not characterize as a blank check if we wrote into the bond issue specific projects and specific amounts, those would be locked in by referendum and could not be changed. The Commission, as a part of its ongoing responsibilities, reviews appropriations from bond issues and reviews plans for specific projects. We will be continuing to do that with regard to all bond issues, but specifically with regard to the projects listed as being considered for funding under that water supply bond. We will certainly be raising this question about use of that money for cleanup of toxic wastes in conjunction with the proposals for water supply facilities.

ASSEMBLYWOMAN MC CONNELL: The water bond issue you mean?

MR. BUTLER: Yes, we will be investigating that question, whether that money could not in fact be used for cleanup in areas that were contingent

and adjacent to or flowing into the water supply facilities that were constructed.

ASSEMBLYMAN BASSANO: If you do that, you are being directly untruthful with the people, because they are going to vote on that bond issue thinking that it is going to mean additional supply. Now, I think if---

ASSEMBLYMAN STEWART: We are talking about a bond issue that we do not have here, number one. It is in another Committee. Number two, I don't think it is even out of that Committee yet, is it?

ASSEMBLYMAN BENNETT: No, it isn't.

ASSEMBLYMAN STEWART: Really, that discussion can be held in that Committee and that bond issue can be clarified in that Committee. But, we are not here today to discuss that. We understand what you are saying, but we can't sit here and argue about what they mean by a bond issue we are not discussing.

MR. BUTLER: I just raised that, Mr. Chairman, because of the discussion in this Committee on the allocation of monies between the two problems and in fact the two problems may very well overlap. In fact, they do overlap.

ASSEMBLYMAN STEWART: That Committee will have to straighten that out.

ASSEMBLYMAN LESNIAK: I have just a couple of questions, because I appeared before the Commission.

Didn't some members bring out the point that by delaying the cleanup to the extent of a \$10 million appropriation, as was suggested by the Treasurer, that the inflationary aspects of the cleanup would increase the cost of that cleanup and therefore cut down the cost of the fact that the bonds have to be repaid and interest paid?

MR. BUTLER: That is correct.

ASSEMBLYMAN LESNIAK: And wasn't the point also brought out that oftentimes the state actually makes money on these bond proposals, because they pay a lower interest rate because of the tax free aspect of it, and at the same time they earn while their money is sitting there not being spent. So, that also brings down the cost of repaying the debt.

MR. BUTLER: It is quite rare that bonds are sold for projects that are not ready to go and in which case the money would sit in an account. In fact, that has been a problem because of the fluctuating interest rate, and the Treasurer and Bond Counsel attempt to sell those bonds as close to the date where the money would be encumbered as possible. So, there is very little opportunity to have those monies gaining interest in an account.

ASSEMBLYMAN LESNIAK: Hasn't the state actually made money on their bonds issues?

MR. BUTLER: I am not aware--- I am sure they have on certain isolated occasions, but it is not general practice.

ASSEMBLYMAN STEWART: I would like to ask you a question regarding the whole preemption issue. My understanding of the federal "Superfund" is, number one, if we spend money in New Jersey - forgetting about preemption right now - we can be reimbursed by the "Superfund." That would mean that if we spent money from this bond issue - assuming preemption is straightened out at some point, theoretically we could be reimbursed by the Federal Government, so we might have a continual fund staying in existence in perpetuity if the Federal Government can work out the preemption issue. A group of legislators

from various parts of the northeast have met with administration people in Washington. The whole issue of this preemption seems to fly in the face of the whole philosophy of that administration. That administration is saying to everybody, if you think it is a good approach, you do it, don't bother us with it. Don't use our bonds; don't use our expertise; you do it. This whole "Superfund" says just the opposite. Obviously they didn't pass the "Superfund;" someone else did. But, I get the distinct impression - and maybe the Petroleum Council or Gerry English can elaborate on this - that we may see a drastic change in the philosophy or an amendment to the "Superfund" which would strike out the preemption portion of it, and that we may then have a continual source of funds.

Did you look at that at all when you considered the bond issue proposal? Am I off base, or am I accurate in that we would be completely continually replenished with funds.

MR. BUTLER: We did not specifically look at that, but it is my understanding that that is a possible interpretation of "Superfund" if the preemption clause is in fact clarified. I don't know whether it is reasonable to believe that that preemption clause would be easily rectified in that manner. My understanding of it is that that was one of the provisions that allowed it to be passed at all.

ASSEMBLYMAN STEWART: A lot of things have changed in November.

MR. BUTLER: Yes. You are exactly right that it does fly in the face of the philosophy as currently espoused by the administration. In fact, the "Superfund" as currently constituted says, "We will do it; you cannot, because we are preempting your ability to raise money to do it."

ASSEMBLYMAN STEWART: I asked that specific question of Mr. Watt, Secretary of the Interior, and Mr. Stockman, and their only answer to that was, "We have not made a policy decision on the "Superfund." That was about thirty days ago.

Is there anything in the bond issue that prevents it from being reimbursed if there is a change of philosophy in Washington by the federal "Superfund"?

ASSEMBLYMAN LESNIAK: The only reimbursement I am aware of is the state matching part of the "Superfund."

ASSEMBLYMAN STEWART: Is there anything in the bond issue that prevents us from being reimbursed, though, if necessary?

ASSEMBLYMAN BENNETT: No.

ASSEMBLYMAN STEWART: Thank you, Mr. Butler. Right on time, we will now hear from Mrs. English, Commissioner of the Department of Environmental Protection.

J E R R Y F. E N G L I S H: I bring you greetings from your districts, and I will submit my statement for the record, and digress, it might seem, for a moment, but not really.

I have decided that it is important to quote global figures, so now I am reduced to Pogo, and I think Pogo said - and even if he didn't, he can now - "Everything is related to everything." So, while we are going to examine specifically a bond issue, I think it is important to you and to the legislative process, and to this Committee in particular to burden you with what else is going on besides toxic waste, because it really has turned out that the toxic waste was always there. We just were not sophisticated enough to say it was toxic waste. In fact, we called it special waste when we passed the solid waste bill years ago. We would not give it that denomination today.

We would not make it sound quite so benign. So, I have been on a tour to look at why we go through these gestures, why we go through these attempts to find funding, why we try to clean up, and it comes from a tour of the parks. It sounds kind of absurd in some ways to say to people I have such problems with the solid wastes and toxic waste issue in my operating budget that I am going to have to close down parks.

We are going to have to come up with the revenues to resolve these issues, and that is another bill that will be before the Committee tomorrow formally. I am going to take this opportunity today to address that as well, so that as it all follows together you will understand, at least in my judgement, we cannot compartmentalize our efforts on these issues. People insist and should throughout this state and nation and internationally that we clean up the toxic waste sites. The documentation of them in New Jersey has been unhappily very accurate. So, when I talk about 400 sites, or 300 sites, or 200 sites, I can assure you that those are the only ones we happen to know of at the moment and as I talk to you now, another farmer, another hunter, another wise policeman is saying, "I think that is funny. I think I just got through seeing some drums down there. I wonder what is really there." So, what I talk to you about are those that are documented.

Assemblymen, the last time that you and I met somewhere near this courthouse was Earth Day a year ago, and I had a laundry list of things that had to be done because chemical control had blown up. I talked about the New York City fire boats; I talked about the Elizabeth Police Department. We needed twenty-four hour guard service. I talked about the Elizabeth Health Department, which also needed twenty-four hour standby ambulance service; I talked about from the Department of Transportation of the state storage area for ten thousand overpacked drums - from the Department of the Treasury a waiver to rent a bulldozer, drum crushers and backhoes - from the Coast Guard, boats and barges to clear the shore line, and from the federal EPA a laboratory to process samples. The list goes on and on and for those of us that went through that experience, it is one that none of us wants to relive in quite the same way. We do not want to have to relearn on the job. We have about \$23 million worth of experience in the chemical control site alone.

I am much better able to testify before this Committee today than I would have been a year ago. Since that time, we have also cleaned up - at the cost of approximately \$5 million - the Plumsted site. Every day I read in the paper about tours being taken by legislators to areas that didn't even make the initial hit list, but that are potentially as frightening and as difficult as any of those that we have presently been able to clean up and take care of. The names are now famous. They sound like battlefields - Burnt Fly Bog, Lone Pine, Bridgeport Rental-- If I leave out one, it is not because I am insensitive to the fact that it exists, but it is also time for the rhetoric on these issues to stop.

The Legislature of New Jersey gave us a foot up when we went to testify in the Congress, because you know they always say, "Well, what has your State done?" I could say, "Not only has my state done it, but we led the nation." We had the first Spill Compensation Fund in the nation. It was not really designed, however, for hazardous waste. We thought the peril was oil spill. It turned out that as a practical matter by adding a little bit of language we were able to put in the hazardous waste site to be cleaned out and then found that most of our vouchers were going in to clean that up and not to deal with the Santa

Barbara type issue. Assemblyman Lesniak sponsored the legislation that permitted us to start dealing with the issue for real as opposed to an afterthought. So, it has only been since January of last year that the Department has really had the tools and the legal authorization to deal with this matter.

When I went to testify for "Superfund" therefore I would point to not only a state responsibility that had been accepted and an excise fund, and people to exercise an excise fund, and yes, an outstanding chemical industry which is one of our primary industries in the state. I said, however, that we needed a federal partner. And, we may have gotten one. Notice I say may. How frustrating it is to me to go in and say to chemical control I have to close down the job, spend thousands of dollars to close it down waiting for "Superfund" to finally come on line.

I suppose I could have said, "Don't worry about it," because everyone understands how difficult this issue is, and no one in the Congress would cut these funds, except they just did by ten million dollars in this fiscal year. Instead of being \$78 million it is \$68 million with no reason given for cutting "Superfund" in the federal budget. That type of performance up-front makes me very concerned. So, when I have discussed this bond issue with the members of this Committee I have said I find myself in the following dilemma: A known problem, a revenue source that may or may not be stable at the federal level. I am hopeful that it will stabilize itself soon, but there is not even an administrator there for us to talk to. So, someone who is in authority at the federal level does not exist at the present time.

We have our own state Spill Fund in deficit, as you well know. So, when all of you call me from your respective districts to say - as Mayor Otlowski does - you have to take care of this problem in Perth Amboy, it is a very serious problem. I am left to say to him, "Not only is there no money in my Spill Fund, but the federal 311-K fund is also in depletion. Should we be using this system to take care of this problem? I would prefer that we not. That is not the position in which we are. I think we have to be realists about what exists.

There is a mode in the state that says general operations, day-to-day expenses, we don't really like, because that always comes in the form of taxation. We are willing to spread out the cost. I repeat, we are willing to spread out the cost. We will vote for bond issues and we had a demonstration to that effect with last year's natural resources bond act passing at the same time that there is alleged to be a wave of conservatism across the country for spending. And, so, I look at this as pragmatically as possible as the head of the state agency that for all intents and purposes has the programmatic responsibility to administer this issue. We are able to demonstrate, I think, the best personnel possible.

I have elevated what was an office - with the concurrence of the Legislature - to a Division of Hazardous Waste Management. I have basically said in my operational budget what I testified before our own Joint Appropriations Committee that the issue is so important that I will reduce my parks budget in what was supposed to be the year of the parks in order to take care of this issue. You know that is a very unhappy choice.

There is another measure that you will be able to assist me about, and that has to do with landfill taxes, and it is basically the same sort of approach that we are using. We are using a special revenue source to take care of a problem in order to subsidize things that we really do want to have happen. So, we are reaching out fiscally for every system that we know of. We are using

general appropriations. We are using dedicated revenue sources in a fund that is administered at the state level, which is completely funded by those who generate the tax. We will have before you promptly a bill that will change that taxing approach, which I am also hopeful will move quickly. That will change the revenue structure from \$7 million a year to \$9 million a year. It will set up two funds, one for oil spills and one for hazardous waste. It will permit them to borrow from one another when one is in deficit. That will hopefully keep us out of the depletion that we are in now. It will also be, as I understand this bond issue could be, the potential for our 10% match, so that we are able to match "Superfund" monies if and when they ever get here.

New Jersey has been exceptionally aggressive in testifying in Congress. Unhappily we are the prototype of the worst environmental accident short of Love Canal, which took a lot longer for people to understand what was going on. We got on the map very quickly with the holocaust. This is not the sort of attention I would like for our state to continue to get. I think that we have an exceptionally fine petrochemical industry in the state. As a practical matter, that is probably not where the problems come. The problems continue to come from those companies that will profit, and the only way they can stay profitable is to use cheap disposal methods.

You will have before you as well the rest of Pogo's tale. Assume that I am able to use this \$100 million, to contract it out responsibly to companies that know what they are doing, then you have to have some place to get rid of the materials. So, that bill is also going to be before. Rather than my burdening you twenty times with testimony, Mr. Chairman, with your permission, I will suggest that this should be viewed as omnibus testimony, to look at the whole thing together, to say, not only do we have to find the sites, we have to be able to put the revenues together properly; we have to be able to do the site selection if there is any place in this state where we can properly place hazardous waste disposals. It will change the bill of our own Spill Fund Compensation to reward those that produce less hazardous waste. So, in other words, there will be some incentive to say, "Produce less and it is going to cost you more to get rid of it."

The overall point that I want to make is as follows: Ten years ago I wouldn't be before you talking about this - nobody did. Those who were very sophisticated knew that the issue was there, but the public did not know. The public is now terribly aware of this issue, and it is the time to deal with an environmental issue when the public understands it, because then there is popular support for taking care of these matters. So, I think their sense of timing is accurate. We are trying to put together on the governmental side with the assistance of the legislature at both the state and federal level programs that are going to work. People will not accept poison in their groundwater supplies. They will not accept particulates in the air that cause them to accelerate their remainders, as we say in the legal trade, which is another way of saying, "Die earlier."

This is the right statement for governments to be making. We must clean up these matters. We must have a monitoring system that sees to it that they don't recur. We cannot threaten only those who generate to say that you alone will bear the cost of this, because we, as consumers, benefit, and there will always be those that will try and save and hedge at the peril of the public. That is the government's job. It is our job to put together those types of insurance policies.

Once we get them all saved, and the water is safe to drink, then I would like to have parks for them to go to. And, that is the other part of what I am on the road about today. I was just at Monmouth. I am going up to Hacklebarney. I have just been in Assemblyman Stewart's district at Fort Mott, and the interesting thing about it is, when I talk to the people who were there about \$1.05 a household for a landfill tax, I saw some heads going up. One man wanted to give me \$5 on the spot. I assured him that was not what I was talking about. I don't want to close the parks this summer. I don't want to have to turn away young people who we have traditionally gone to to be our seasonal help. They depend upon us for their employment.

The federal budget has slashed that Youth Employment Program by half. I announced that in February as a potential, and it is now a reality. I have already made a pitch to the Joint Appropriations Committee for \$1.5 million but I am also fairly realistic about where I am at this time of the season and where we are in this gubernatorial and legislative election year. I say this in friendly counsel to the Committee, I think that the people of this state will pay for those things they think there is a demonstrated need for. They are angry when the facts are kept from them, and later they find themselves submitted a huge bill for something that was quiet, secret, and perilous. If we are upfront about what it is we are trying to do, and that none of this legislation stands alone, all of it stands together, this Committee is probably the best constituted of any group in this state to deal with the issue responsibly.

I commend you for not only coming to this site, because certainly the people of this community bore the brunt of it, and potentially millions in this area would have borne the brunt of shocking practices that cannot be duplicated. We would normally not say that a bond issue is the way to deal with this issue, but we are apparently not going to be in normal times for quite awhile. I would like to see the day when we say this is not the way we do it, and that we have cleaned up enough that we don't have to continue to bond and this sort of thing. I think we will get there.

But, meanwhile, I am supporting this legislation and it goes together with all of those other areas that I have been talking to you about. Are there any questions, Mr. Chairman?

ASSEMBLYMAN STEWART: Commissioner, is there any indication at all --- I asked this question earlier before you arrived --- coming from the federal government about the preemption issue and which way they may go on that subject? That drastically affects what we can do.

COMMISSIONER ENGLISH: As I say, the first shot out was to cut \$10 million from what the Carter budget had proposed. We are unhappily in a lawsuit to try and determine what we can tax at the State level, so we have two issues in peril - one is the "Superfund" federally and one is our own Spill Fund Compensation bill. That is again the rationale for why I will bring you another bill that will hedge on that issue.

As an aside---

ASSEMBLYMAN STEWART: There is no indication from them yet whether that---

COMMISSIONER ENGLISH: I have no negative indications beyond that. Now, you should know that the Director of the Office of Budget Management was one of the prime leaders on the floor of the Congress against "Superfund." That does not give me any reason to be cheerful.

ASSEMBLYMAN LESNIAK: I want to talk about one part of Pogo you may have left out. Since we are talking about other legislation, if I may, Mr. Chairman, Lone Pine is a landfill, and I know that we are painfully aware of the intermingling of the legal disposal problems between garbage disposals and hazardous waste disposals. I would like to see - and if the Chairman is going to call legislation for tomorrow - legislation I proposed regarding the same type of background checks and bonding for landfill operators as we have in A-1300 for hazardous waste disposals.

COMMISSIONER ENGLISH: That is one of the things that we have--- Again, we have kind of ignored who was in the business. It was always an afterthought business. I was not viewed as a business that demanded a great deal of attention. We just went out and dug holes in the ground, and we dumped our garbage in there. We then found out that we should have been calling them wetlands, not garbage dumps. So, here we were poisoning ourselves by leachates of benign household garbage. If you add to that the inability of industry or smaller generators of hazardous wastes a place they can actually take something legitimately and get rid of it properly, which is not an inexpensive activity, then you get yourself to where we are internationally. Again, it is not peculiar to New Jersey.

ASSEMBLYMAN LESNIAK: Would you not agree that we ought to have the same type of controls on landfill operators?

COMMISSIONER ENGLISH: I am certainly moving into that type of thinking. Because, as I say, when you start putting research recovery plants on, which we have passed bond issues for, sophisticated equipment that is going to require now junkyard dog mentality to run, then we ought to know something about who is in charge here. The Attorney General may have a view on that issue as well to assist the Committee in where we ought to be going on that issue.

ASSEMBLYWOMAN MC CONNELL: Commissioner, in light of the extent and the severity of the hazardous waste problem in the state, how can we justify only \$100 million on this bond issue when there is one being proposed for \$345 million for water quantity?

COMMISSIONER ENGLISH: Well, you can't say that you don't need water pipes, either. We need water quality as well, but water quality for water that isn't there becomes a little more difficult.

I have found myself as the shadow line of disaster, which is kind of a tiresome role, I will have to tell you. I could have left this Department having been the Commissioner and knowing about hazardous and toxic wastes with a real bang, because I was there. Or one could have left without ever knowing about what the real depths of the water supply issue was, as long as it rained. The luck of the draw was that it didn't rain. I know a great deal about it. Therefore, so do the people of this state and this legislature finally has the opportunity to do something about it, just as you finally have the opportunity to do something about toxic waste. Decisions made about the level of bonding and how much debt the state can maintain I do not pretend to have expertise.

You well understand that these bonds that we have put out have to have general revenues or a revenue stream coming in to pay them off. And, to the extent that is possible, it will be there certainly with water users. The revenue stream for this bond issue has not been fully described to me, and I have heard several approaches that I don't know that have been reclined at this point. A triple "A" state has several things that go into its bond rating,

I think, and one of them has to do not only with a revenue stream that is predictable. We have all said, well, we know there is enough garbage to make it profitable to do resource recovery. We certainly know that there is enough toxic waste that somebody who is paying attention could put together a management corporation that is going to make money, and that is a reliable stream.

When it comes to water supply, everyone has to have water, and there are charges that are user charges. So, I don't think you do one without the other, or say this is not the time to do water, or this is not the time to do toxic waste. Those are critical issues in my judgement for the long-term stability of this state. We have always had the edge, for instance, in economic development if we were trying to attract industry or keep industry to say, okay, you go to the sunbelt, and when you get there, the one part that we could guarantee was water. I still have water. I just have to make certain I can get it to the people that use it. You can't lose jobs on that account. I am now burdened by the pending situation, and that is some of that groundwater that I thought was there for potable purposes turns out to be polluted at enormous cost to clean up, and we have to do that. I mean, your civilization depends upon it. We have to do those things, and it is unacceptable for this State --- Which are we, fourth or fifth wealthiest --- to be saying we haul jugs of water around here because we don't have a reliable water supply. This won't do.

So, you are right. Pogo should add the water lines and say, "Not only have I got to get the water to you, but once it gets there, we should have some assurances that when the water gets there it is going to be a proper quality to use."

ASSEMBLYWOMAN MC CONNELL: I don't deny the need for a bond issue or money for water quantity, but I am just wondering if \$100 million is really enough to even begin to attack the problem that we have of clean-up.

COMMISSIONER ENGLISH: \$50 million was not enough for resource recovery, either. That is the reason I went in for \$300 million last year. \$50 million is what I got.

ASSEMBLYWOMAN MC CONNELL: I think my question is, do we divide the problem more equitably? At this particular point is it more important, perhaps, to spend a little more of that \$100 million on clean-up and perhaps \$100 million less on water quality?

COMMISSIONER ENGLISH: I would say no, at least with the toxic waste issue it is of sufficient interest both in the state and nationally that there are some other monies that we can look to. For our water supply matters, there are no federal dollars that we can look to. In other words, we have to be self-sufficient on this issue. There is nobody out there willing to help.

ASSEMBLYMAN STEWART: Commissioner, thank you very much for rushing up here, and thank you for your testimony.

That concludes our public hearing for today---

MEMBER OF AUDIENCE: Mr. Chairman, I am not on the agenda to speak, but since everything is related to everything else---

ASSEMBLYMAN STEWART: Will you please come forward so we can get your name for the record.

F R A N K B R I L L: Mr. Chairman, my name is Frank Brill. I am with the Joseph Katz Company in Trenton, and we represent National Solid Waste Management Association. I didn't plan to speak here today. I just came to educate myself on the other issue that was before your Committee today, but since all things

are related to everything else, and the Commissioner used this opportunity today to also do a little lobbying for a bill which is going to be before this Committee tomorrow, as I understand, I would like the opportunity just to add some relative information of my own on that, unless you would prefer to hold off---

ASSEMBLYMAN STEWART: We are going to have a full Committee meeting tomorrow and I think it would be more appropos tomorrow. We will give you the opportunity to discuss your points tomorrow at the Committee meeting. I think you can rest assured of that. This is being transcribed as part of that hearing, and I don't think it is going to tie in at all.

I will conclude the public hearing at this point. Thank you.

(HEARING CONCLUDED)

STATEMENT FOR PUBLIC HEARING

JUNE 5, 1981

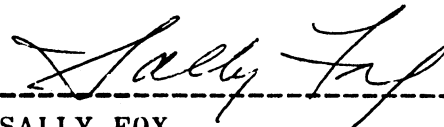
REFERENDUM FOR CLEAN-UP OF TOXIC WASTE SITES

AS CHAIRMAN OF THE HOWELL TOWNSHIP PLANNING BOARD
I SUPPORT THE PROPOSED REFERENDUM TO FUND CLEAN-UP OF TOXIC
WASTE SITES.

WE ARE CURRENTLY EXPERIENCING A NEGATIVE IMPACT ON
LAND VALUES OF PROPERTIES IMPACTED BY THEIR PROXIMITY TO
TOXIC WASTE SITES AND IT IS IMPERATIVE TO PROVIDE FOR CLEAN-
UP AS SOON AS POSSIBLE.

HOWELL'S PLANNING BOARD IS CURRENTLY INVOLVED IN
DEVELOPING LAND USE RESTRICTIONS FOR AREAS IN HOWELL DETERMINED
TO BE AFFECTED BY TOXIC WASTE SITES. THE COMPLEXITIES INVOLVED
REQUIRE THE EXPENDITURE OF SUBSTANTIAL FUNDS FOR THE TECHNICAL
AND PROFESSIONAL ASSISTANCE NEEDED TO DEVELOP THESE PROTECTIVE
REGULATIONS. IN ADDITION TO PROVIDING THESE FUNDS, TAXPAYERS
FACE A DEVALUATION OF THEIR PROPERTY AND PROBABLE COSTS FOR
TESTING PROGRAMS REQUIRED BEFORE ISSUANCE OF BUILDING PERMITS
OR CERTIFICATES OF OCCUPANCY. THE ECONOMIC IMPACT OF TOXIC
WASTE SITES IN ANY COMMUNITY IS BECOMING MORE AND MORE CRITICAL
AT A TIME WHEN THE HOUSING INDUSTRY CAN LEAST AFFORD ADDITIONAL
COSTS AND RESTRICTIONS.

THE PROPOSED REFERENDUM APPEARS TO BE THE BEST METHOD
AVAILABLE TO EXPEDITE A SOLUTION TO THE PROBLEM OF TOXIC WASTE
CLEAN-UP AND I URGE ITS APPROVAL.



SALLY FOX
CHAIRMAN
HOWELL PLANNING BOARD

JUNE 5, 1981

TESTIMONY BEFORE ASSEMBLY COMMITTEE
ON AGRICULTURE & ENVIRONMENT
JUNE 5, 1981

GOOD AFTERNOON. MY NAME IS GEORGE J. TYLER AND I AM
THE ASSISTANT COMMISSIONER OF THE NEW JERSEY DEPARTMENT OF
ENVIRONMENTAL PROTECTION. I AM HERE TO PROVIDE OUR DEPARTMENT'S
PERSPECTIVE ON THE NEED FOR ADDITIONAL MILLIONS OF DOLLARS
FOR HAZARDOUS WASTE SITE CLEAN UP.

I ATTENDED A MEETING IN THE UNION COUNTY COURTHOUSE, WHERE
THE FIRST SET OF HEARINGS ON THIS BILL WERE HELD, A LITTLE
OVER A YEAR AGO. AT THAT TIME WE WERE ASKING FOR HELP
WITH CHEMICAL CONTROL FROM A MYRIAD OF FEDERAL, STATE, AND LOCAL
AGENCIES. THAT DAY I HAD A SHOPPING LIST OF THINGS I NEEDED.
LET ME RECOUNT TO YOU SOME OF THE ITEMS ON THAT LIST.

- FROM THE NEW YORK CITY FIRE DEPARTMENT - USE OF
THEIR FIRE BOATS.

- FROM THE ELIZABETH POLICE DEPARTMENT - 24 HOUR GUARD SERVICE.
- FROM THE ELIZABETH HEALTH DEPARTMENT - 24 HOUR STANDBY AMBULANCE SERVICE.
- FROM THE NEW JERSEY DEPARTMENT OF TRANSPORTATION - STORAGE AREA FOR 10,000 OVERPACK DRUMS.
- FROM THE NEW JERSEY DEPARTMENT OF TREASURY - A WAIVER TO RENT BULLDOZER, DRUM CRUSHERS, AND BACKHOES.
- FROM THE COAST GUARD - BOATS AND BARGES TO CLEAR THE SHORE LINE.
- FROM FEDERAL EPA - A LABORATORY TO PROCESS SAMPLES.

THE LIST WENT ON AND ON.

TODAY, I HAVE ANOTHER SHOPPING LIST - JUST FOR YOU - BUT IT DOESN'T INCLUDE FIREBOATS, GUARD SERVICE, OVERPACK DRUMS, AND BULLDOZERS. ONE YEAR LATER, WE AT DEP KNOW WHERE TO GET ALL THOSE TOOLS NEEDED FOR THE SAFE, EFFICIENT, AND TIMELY CLEANUP OF THE OVER 300 HAZARDOUS WASTE SITES

THAT REMAIN IN OUR STATE. WHAT WE NEED NOW IS THE ONLY
ITEM ON ^{MY} SHOPPING LIST - THE HUNDREDS OF MILLION OF DOLLARS
NEEDED TO PAY FOR ALL THE ITEMS AND LABOR NEEDED BY THE
STATE FOR HAZARDOUS WASTE SITE CLEANUP.

FIRST, LET ME ANTICIPATE YOUR QUESTIONS. WHY DOES
THE STATE NEED ANOTHER \$100 MILLION OR MORE FOR HAZARDOUS
WASTE SITE CLEANUP? WHERE AND ON WHAT WILL THIS MONEY BE
SPENT? HOW SOON IS IT NEEDED? AND WHAT ABOUT FEDERAL
FUNDING SOURCES SUCH AS SUPERFUND?

NEW JERSEY NEEDS AT LEAST \$100 MILLION TO ADDRESS:
THE REMAINING 300+ HAZARDOUS WASTE SITES AWAITING CLEANUP,
AND THE 2000+ SPILLS OF HAZARDOUS WASTE THAT OCCUR EACH YEAR
WITHIN THE STATE. OUR CURRENT SPILL COMPENSATION FUND IS
SIMPLY NOT UP TO THIS TASK. LAST YEAR ALONE THE STATE SPENT

OVER \$30 MILLION ON THE CLEANUP OF 24 HAZARDOUS WASTE SITES

AND SEVERAL HUNDRED OF THE MOST NOTABLE SPILLS. THE TAX

PROVISIONS OF THIS ACT RAISED ABOUT \$8 TO \$10 MILLION

PUTTING THE FUND IN A STATE OF "~~STATUTORY~~ DEFICIENCY".

JUST ONE YEAR'S EXPERIENCE - OUR FIRST YEAR'S - TELLS US

WE NEED SUBSTANTIALLY MORE FINANCIAL RESOURCES, IF WE ARE

TO CLEAN UP THE REMAINING SITES BEFORE THEY POISON OUR WATER

OR AIR MORE THAN THEY ALREADY HAVE.

TO ANSWER THE SECOND QUESTION, LET ME TELL YOU SOME

PROPOSED PROJECTS THAT WOULD PROBABLY BE FUNDED BY AN

ADDITIONAL \$100 MILLION.

1. IN CAPE MAY, WE WOULD SPEND BETWEEN \$1-3 MILLION

TO CLEANUP THE POTABLE GROUNDWATER CONTAMINATED WITH

CARCINOGENIC MATERIAL UNDER THE WILLIAMS PROPERTY SITE.

2. IN ATLANTIC CITY, WE WOULD SPEND THE REQUIRED MILLIONS (AND AT THIS POINT WE DON'T KNOW HOW MANY MILLIONS) TO CAP PRICE'S LANDFILL AND CLEAN THE ADJACENT GROUNDWATER THAT THREATENS THE ATLANTIC CITY WATER SUPPLY.

3. IN UNION COUNTY, WE WOULD SPEND ALMOST A MILLION JUST TO FINISH THE DISPOSAL OPERATION AT CHEMICAL CONTROL AND TO INITIATE CLEANUP AT THE BOURNE CHEMICAL SITE, IF THE OWNERS DO NOT PURSUE THAT ACTION SOON.

4. IN ESSEX COUNTY, WE HAVE FIVE SEPARATE ISOLATED DRUM DUMPS EACH NEEDING BETWEEN \$100,000 TO \$1,000,000 FOR CLEANUP.

5. IN HUDSON COUNTY, WE HAVE ANOTHER SIX CHEMICAL

DRUM DUMPS SIMILAR TO SCOPE TO THOSE IN ESSEX COUNTY.

6. IN MONMOUTH COUNTY, WE HAVE THE BURNT FLY BOG (A JOB WHICH COULD RUN BETWEEN \$10 AND \$50 MILLION), BOG CREEK FARM (ANOTHER \$10 - \$50 MILLION JOB), THE LONE PINE LANDFILL (A JOB WHICH WILL RUN IN THE TENS OF MILLIONS), AND THE UPPER FREEHOLD SITE (ABOUT A \$5 MILLION JOB).

7. IN MIDDLESEX COUNTY, WE HAVE AT LEAST 12 ~~TOP~~ *high* PRIORITY SITES SUCH AS THE SAYREVILLE PESTICIDE DRUM DUMP, THE HORSEHOE ROAD DUMP (RECENT FIRE SCENE), THE HEATHCOTE BROOK SITE AND THE KIN BUC SITE. THE TOTAL COSTS OF THESE PROJECTS WHILE NOT YET PRECISELY CALCULATED, SHOULD BE ABOVE \$20 MILLION AND MORE LIKE \$50 MILLION.

8. IN OCEAN COUNTY, WE HAVE AT LEAST THREE MORE SITES

RELATED TO, BUT OVER AND ABOVE, THE GOOSE FARM SITE WHICH IS ALMOST DONE. THIS WOULD COST AN ADDITIONAL \$10 - 20 MILLION.

9. IN GLOUCESTER, SUSSEX, CAMDEN, PASSAIC, BURLINGTON, HUNTERDON, AND SOMERSET COUNTIES, WE HAVE A TOTAL OF 14 MORE SITES WHICH WOULD REPRESENT MAYBE ANOTHER \$50 TO \$100 MILLION DOLLARS WORTH OF CLEAN UP PROJECTS.

WHAT I HAVE JUST RELATED TO YOU IS ONLY THE WORST 50 OR SO SITES IN THE STATE. THESE SITES ALONE WOULD COST BETWEEN \$200 AND \$300 MILLION TO CLEANUP AND THIS IS A VERY ROUGH ESTIMATE.

THIS BRINGS US TO THE QUESTION OF AVAILABLE FEDERAL FUNDING. IN THE NEXT FEDERAL FISCAL YEAR, EPA WILL BE REQUESTING ABOUT \$200 MILLION OF THE \$1.6 BILLION DOLLAR

SUPERFUND. EVEN IF THE CONGRESS WERE TO GIVE EPA THE ENTIRE \$200 MILLION - AND THIS IS DOUBTFUL - AND EVEN IF NEW JERSEY WERE TO GET ALL OF THAT \$200 MILLION - WHICH IS OBVIOUSLY IMPOSSIBLE - NEW JERSEY WOULD STILL NEED AT LEAST ANOTHER \$100 MILLION JUST TO ADDRESS THE WORST SITES IN THE STATE. THESE ARE THE SITES THAT ARE LEAKING OR WILL LEAK SHORTLY. ADDITIONALLY, WE WILL STILL HAVE TO RAISE MONEY FOR OUR 10% MATCHING SHARE MANDATED UNDER SUPERFUND AS WELL AS MONEY TO ASSURE POST CLOSURE MONITORING AND MAINTENANCE AT SITES REMEDIATED BY SUPERFUND. THE PROPOSED \$100 MILLION BOND ISSUE IS ONE WAY TO RAISE THIS VITALLY NEEDED MONEY - BUT THERE ARE OTHER WAYS TOO.

AS YOU CAN SEE, A CASE FOR A \$100 MILLION BOND ISSUE FOR HAZARDOUS SITE CLEANUP IS EASILY MADE EVEN CONSIDERING

FEDERAL FUNDING. REMEMBER, I ONLY USED THE WORST 50 SITES AND NEGLECTED THE OTHER 275 SITES AND 2000+ YEARLY SPILLS IN DISCUSSING COSTS. WHAT MAY BE EVEN WORSE, IS THE FACT THAT WITH THE SPILL FUND IN A STATE OF STATUTORY DEFICIENCY THERE IS NOT EVEN ENOUGH MONEY AVAILABLE TO PERFORM THE MONITORING, ANALYSIS, AND FEASIBILITY STUDIES REQUIRED TO DETERMINE HOW BAD MANY OF THE REMAINING 325 SITES ARE!

IT SHOULD BEGIN TO BE CLEAR WHY AN ADDITIONAL \$100 MILLION IS VITAL. THIS MONEY WILL BECOME NEW JERSEY'S INSURANCE POLICY FOR HAZARDOUS WASTE CLEAN UP BY ASSURING:

1. THERE IS ENOUGH MONEY TO SCOPE OUT AND MAKE DECISIONS ON THOSE SITES NEEDING CLEANUP.
2. THERE IS SOME MONEY AVAILABLE FOR CLEANUP EVEN WITH THE FLUCTUATIONS AND UNCERTAINTIES IN FEDERAL FUNDING.
3. THERE IS MONEY AVAILABLE IN THE MIDDLE OF THE

NIGHT WHEN ANOTHER TICKING TIME BOMB GOES OFF WITHOUT HAVING TO CALL UNCLE SAM IN WASHINGTON OR WITHOUT HAVING TO DRAG OUT OUR OVERDRAWN SPILL FUND CHECKBOOK.

IF YOU ARE CONCERNED THAT BY MAKING THIS MULTI MILLION COMMITMENT, WE MAY JEOPARDIZE OUR CASE FOR FEDERAL FUNDING, I WOULD URGE YOU NOT TO WORRY.

SHOULD THE FEDERAL GOVERNMENT GRANT US FEDERAL ASSISTANCE FOR ANY JOB WHERE WE HAVE ALREADY BEGUN WORK USING THIS MONEY, WE WILL BE ABLE TO USE THIS AS A CREDIT AGAINST OUR 10% MATCHING SHARE, A CREDIT AGAINST OTHER WORK (WHERE APPLICABLE), OR SEEK DIRECT REIMBURSEMENT OF THAT PORTION OF THE MONEY SPENT.

I WOULD LIKE TO END THIS ADDRESS WITH A BRIEF STATUS REPORT ON OUR HAZARDOUS WASTE SITE CLEANUP PROGRAM. I

WOULD LIKE TO RELATE TO YOU NOW EXACTLY WHAT SITES
HAVE BEEN FINISHED IN THE FIRST YEAR OF OUR PROGRAM,
WHAT SITES ARE IN PROGRESS, WHAT SITES WE HAVE REQUESTED
FEDERAL ASSISTANCE FOR, AND FINALLY WHAT IS THE STATUS
OF OUR ABANDONED SITE PRIORITY LIST.

THE FOLLOWING SITES WERE COMPLETED:

1. THE ATLANTIC DEVELOPMENT COMPANY SITE IN
SAYREVILLE AT A COST OF \$294,989.
2. THE BUBENICK PROPERTY SITE IN PISCATAWAY
AT A COST OF \$13,505.
3. THE THOMAS H. COOK SITE IN NEWARK AT A
COST OF \$13,198.
4. THE ELCID SITE IN HOWELL TOWNSHIP AT A
COST OF \$27,290.
5. THE LIBERTY STATE PARK DRUM DUMP SITE AT
A COST OF \$42,832.
6. THE NORTHERN FINES CHEMICAL SITE AND

7. THE FRANKLIN MINES SITE BOTH IN FRANKLIN TOWNSHIP AT A COMBINED COST OF \$168,000.
8. THE ALTMAN STREET DRUM DUMP IN RUTHERFORD AT A COST OF \$2,173.
9. THE MADISON CIRCLE DRUM DUMP IN EAST RUTHERFORD AT A COST OF \$16,071.
10. THE SAMPSON TANK SITE IN JERSEY CITY AT A COST OF \$140,007.
11. THE SWOCO SITE IN SOMERSET AT A COST OF \$34,245.
12. THE WILSON FARM SITE IN PLUMSTED TOWNSHIP AT A COST OF \$97,215.
13. THE GOOSE FARM SITE IN PLUMSTED TOWNSHIP AT A COST OF \$4,121,147 WITH \$2,727,000 BEING SUPPLIED BY FEDERAL SOURCES.
14. THE A.O. POLYMER SITE IN SUSSEX AT A COST OF \$536,000. AT THIS SITE AN ADDITIONAL \$40,000 IS NEEDED FOR VERIFICATION WELLS.

THE FOLLOWING SITES ARE NEARING COMPLETION OR ARE VIRTUALLY

1. A-Z RESOURCE RECOVERY IN NEW BRUNSWICK SCHEDULED FOR COMPLETION IN JUNE AT A TOTAL COST OF \$1,225,000.
2. CHEMICAL CONTROL IN ELIZABETH SCHEDULED FOR A MIDSUMMER COMPLETION AT OVER \$27.5 MILLION WITH OVER \$4.0 MILLION IN FEDERAL FUNDING.
3. GORDON CHEMICAL SERVICES IN JERSEY CITY SCHEDULED FOR COMPLETION BY SUMMER AT A COST OF \$250,000.
4. FABCOA IN JAMESBURG WHERE THE SITE OWNER IS FINISHING THE CLEAN UP.
5. FREQUENCY ENGINEERING IN FARMINGDALE WHERE THE OWNER SHOULD BEGIN DISPOSAL SHORTLY.

THE FOLLOWING APPLICATIONS FOR FEDERAL FUNDING HAVE BEEN

MADE:

1. CHEMICAL CONTROL - ELIZABETH - APPLICATION WAS MADE FOR GROUNDWATER TREATMENT AND WAS GRANTED AND TO DATE ABOUT \$4.0 HAS BEEN AUTHORIZED. FURTHER ASSISTANCE MAY BE

2. GOOSE FARM - PLUMSTED - APPLICATION WAS MADE FOR GROUNDWATER TREATMENT AND WAS GRANTED AND TO DATE \$2.7 MILLION WAS AUTHORIZED AND MORE WILL BE SOUGHT.
3. SPENCE FARM - PLUMSTED - APPLICATION WAS MADE FOR GROUNDWATER TREATMENT ASSISTANCE BUT NO RESPONSE HAS BEEN RECEIVED DUE TO UNAVAILABILITY OF FEDERAL FUNDS.
4. BRIDGEPORT RENTAL & OIL SERVICES - LOGAN TOWNSHIP - APPLICATION WAS MADE FOR EMERGENCY DIKE RESTORATION AND PROJECT MONITORING AND SCOPING. \$100,000 WAS GRANTED FOR DIKE WORK AND \$280,000 FOR ENGINEERING & DESIGN PREPARATION.
5. BURNT FLY BOG - MARLBORO TOWNSHIP - APPLICATION WAS MADE FOR PROJECT MONITORING, ENGINEERING AND DESIGN AND \$325,000 HAS BEEN ALLOCATED FOR THIS PURPOSE.
6. LONE PINE - MONMOUTH COUNTY - APPLICATION WAS MADE FOR CLEAN UP AND NOT GRANTED BY EPA. DEP IS INDEPENDENTLY CONTINUING THE DESIGN OF THIS CLEAN UP PROJECT.

7. PRICE'S LANDFILL - ATLANTIC CITY - APPLICATION WAS MADE FOR ENGINEERING WORK AND NOT GRANTED BY EPA. DEP IS PROCEEDING WITH THIS WORK ALONG WITH THE LOCAL WATER AUTHORITY.
8. KIN BUC & LIPARI BOTH HAVE RECEIVED FEDERAL ASSISTANCE FOR DESIGN WORK.

FINALLY, DEP WILL BE READY TO PUBLISH ITS PRIORITY LIST OF 325 HAZARDOUS WASTE SITES BY MIDSUMMER ALONG WITH THE CRITERIA USED FOR PRIORITY DETERMINATION. THIS WILL BE THE PRELIMINARY WORK PLAN FOR CLEAN UP FOR THE DECADE TO COME.

HOPEFULLY, THIS SUMMARY SHOWS THE INTENSE EFFORT WE HAVE PLACED IN HAZARDOUS SITE CLEAN UP. I BELIEVE THIS EFFORT SHOWS THAT A FURTHER AND MORE SUBSTANTIAL INVESTMENT IN CLEANING UP NEW JERSEY IS VITAL AND WARRANTED.

The Monmouth County Board of Health

JUNE COUNTERMAN
President

LORRAINE CRONIN
Vice President

CHARLES ORMSBEE, Jr.
Secretary

LESTER W. JARGOWSKY, M.P.H.
HEALTH OFFICER

PUBLIC HEALTH CENTER
17 LAFAYETTE PLACE
FREEHOLD, NEW JERSEY, 07728

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PRESENTATION TO THE ASSEMBLY AGRICULTURE AND ENVIRONMENT COMMITTEE - JUNE 5, 1981

by: Lester W. Jargowsky, M.P.H.
Monmouth County Health Officer

On behalf of the Monmouth County Board of Health I would like to thank this committee for the opportunity to comment on the proposed one hundred million dollar bond issue to be used to clean up hazardous waste dumps in New Jersey.

My name is Lester W. Jargowsky and I am employed as the County Health Officer by the Monmouth County Board of Health. I have worked in this capacity for the last three years. I am a licensed N.J. Health Officer and have received a B.S. in Environmental Health from Rutgers University and a Masters in Public Health degree from Tulane University.

The Monmouth County Board of Health totally supports this bond issue for the following reasons:

1. In Monmouth County alone we have found twelve illegal hazardous waste disposal sites. Unfortunately, I am quite confident that additional problem areas will be found.
2. The types and quantities of hazardous waste being encountered at promiscuous dump points are alarming. Such chemicals as PCB's, lead, arsenic, benzene, toluene, TCE, xylene, phenols and ethylbenzene have been found in contact with, and in major aquifers.
3. These hazardous waste dumps also present very real fire and explosion hazards. The Monmouth County Health Department has for example found numerous 55 gallons barrels of volatile organics with a calculated flash point of 70°F or less. All that is needed on a hot day like today-amidst the leaking and corroded barrels, is an ignition source

and we would have a very bad situation on our hands from the fire, explosions, and toxic air pollution downwind from the site. This potential exists in Monmouth County at known dump sites. Of tremendous concern to me as County Health Officer is the immediate impact on the public residing near these sites and the welfare of the first responders to such an incident. There are many brave men and women who would respond to such an emergency and the probability of someone being injured is quite high. The longer we wait to address the dumps the greater the chance of such an incident.

4. Many of the hazardous waste dumps have been found in key locations in a particular watershed. For example the Burnt Fly Bog contaminants are in direct contact and in the Englishtown Aquifer. The Lone Pine Landfill in Freehold Township is seriously degrading the headwaters of the Manasquan River. This same river is slated to be a source of drinking water for thousands of people in the future. If these matters are not addressed rapidly our drinking water supply will be destroyed.

Pollution is a regional problem, it does not respect municipal boundaries and most importantly the situation is never static. The winds continue to move the air pollution, the ground water continues to move the zone of contamination further and further, the rivers and streams carry the contaminants far offsite every day. A strong funding base must be established to clean up the dumps on a priority basis as soon as possible. We applaud Assemblyman Bennett's initiative in this regard.

5. Please keep in mind that we are in no way suggesting that those parties responsible for the dumping not be duly prosecuted. However, it is truly in the public's interest to take immediate steps to contain or remove hazardous waste that has been promiscuously dumped and is endangering the public health and welfare.

Time is not on our side. Each passing day represents another lost chance to prevent a catastrophic event. Such events will include well condemnation, personal injuries, damage to livestock and aquatic life; destruction of the value of real estate, and an increase in the risk of being poisoned or developing a chronic illness such as cancer. We strongly advocate that the public accept and pass this bond issue so that we stand a chance to rid our landscape of these dump sites.

The County Board of Health also advocates recycling the waste in these Dumps where possible, as they are a valuable resource. The millions of gallons of volatile organics that are generated as waste could easily fuel a power plant to generate electricity. It is extremely wasteful and expensive to haul these wastes to landfills in other states such as Alabama or upstate New York where much of Monmouth County's hazardous waste finally rests.

The stewardship of the revenues generated from this Bond Issue is vital to insure that the public gets the most return out of each dollar invested. We suggest a check and balance system that puts the existing expert engineers and geologists at the New Jersey Department of Environmental Protection on the front line of the clean up team. If the State DEP used existing expert staff to assess the condition of dumps and formulated a clean up plan for each site, in house, the State would save hundreds of thousands of dollars for the actual clean up process. This preliminary sampling and planning by the State DEP could be cross checked by the local health departments and the Federal E.P.A. In these days of limited dollars and many dumps we must challenge the system to get maximum yield on all of our public investments.

In summary I would like to thank the Committee for this opportunity to express our opinions on this vital bond issue. I would also like to acknowledge the awareness and concern of Assemblyman Bennett regarding our hazardous waste problems in Monmouth County and in the State of New Jersey. The Monmouth County Board of Health strongly supports the 100 million dollar bond issue to clean up the hazardous waste dumps in New Jersey.

LESTER W. JARCOWSKY

