

Statement of Captain Charles R. Corbett
U.S. Coast Guard
before
Subcommittee on Commerce, Transportation and Tourism
of the
Committee on Interstate and Foreign Commerce
U.S. House of Representatives
Rayburn House Office Building, Room 2218
9:30 am, February 26, 1981

Mr. Chairman and members of the Subcommittee. I am Captain Charles R. Corbett, Chief of the Marine Environmental Response Division, Office of Marine Environment and Systems, U. S. Coast Guard Headquarters. I am accompanied today by CDR Anthony R. Adams of my staff.

Mr. Chairman, I am pleased to have this opportunity to provide you and the Subcommittee members with the current status and plans for the Federal Water Pollution Control Act, Section 311(k) Fund. I understand that this information will assist you in the oversight of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (CERCLA).

As you are aware, Mr. Chairman, CERCLA Section 304(b) provides for the transfer of one-half of the unobligated balance remaining in the 311(k) Fund on 10 December 1980 to the Fund established under Title II of CERCLA, that is, the Hazardous Substance Response Trust Fund. The amount identified for transfer to the Response Trust Fund is \$6.7 million. Both the Coast Guard and the Environmental Protection Agency have agreed that the intent of Congress was to make the Response Trust Fund immediately available for polluting incidents. However, the Department of Treasury was concerned that those monies to be transferred to the Response Trust Fund might not be available

for use without additional Congressional appropriation action. The Department of Treasury gave this matter a high level of attention, and a final view was received yesterday, 25 February. The funds are now being transferred to the Response Trust Fund and will be available for use by the EPA.

As a result of complying with section 304 (b) of CERCLA—the setting aside of one-half of the 311(k) Fund balance—a severe strain was placed on the 311(k) Fund. Since enactment of CERCLA, about \$6.7 million have been obligated. Of that amount, \$5.8 million were committed to deal with hazardous substances—primarily located in uncontrolled waste sites. During that same period, we collected about \$1.8 million through recovery of cleanup costs and penalty actions on prior year cases. On 12 February, there was less than \$2 million remaining unobligated in the 311(k) Fund with over \$10 million estimated to continue on-going cleanup projects. On the basis of that information, the Coast Guard and the EPA decided to reduce drastically the obligation authority of our field On-Scene Coordinators and to recall all committed funds that were not formally obligated through negotiated contracts. Our plan now is to redistribute those recalled funds to continue with as many projects as possible for as long as possible. Most cleanup operations will have to be scaled down to some degree, and some projects may have to be stopped. Naturally, the more severe cases will receive top priority. Since we are assuming that the EPA will have stewardship of the Trust Fund, and since the bulk of present chemical responses is under the direction of their field personnel, we are approving additional expenditures on a case by case basis with the advice and consent of the EPA.

In our planning for the redistribution and allocation of the very limited funds remaining in 311(k), we are making provision for an oil or hazardous substance incident of catastrophic proportions. Our thinking now is to place that amount at \$500 thousand. Pending Congressional action on supplemental appropriations, we may have to adjust that

contingency level downward and accept the additional risk of not being able to address a catastrophic occurrence. Even with the recent decision by the Treasury Department that the transferred monies from the 311(k) Fund are now available for obligation in the Response Trust Fund, we are still not out of the woods. Our judgement is that existing requirements for funds will still deplete the available balance before normal action is completed on the pending supplemental requests.

That, Mr. Chairman, is, very quickly, the status of the 311(k) Fund. Once again, I thank you for this opportunity to provide Coast Guard input to this hearing. I will be happy to respond to any questions that you or members of the Subcommittee might have.