



Center for Health, Environment & Justice

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NEWS RELEASE

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Report Reveals Corporate Bailouts & Climate Change-Related Hurricanes, Tornadoes and Floods Burden Federal Superfund.

President and Congress Take First Steps to Restore Polluter Pays Fees for Program.

Falls Church, VA – A new study released today sheds light on the growing connections between global climate change, corporate bankruptcies and the crisis of the Federal Superfund toxic waste cleanup program. Superfund: In the Eye of the Storm, released by the Center for Health, Environment & Justice (CHEJ), reveals new threats from climate change-related extreme weather conditions, such as hurricanes, tornadoes and flooding, are damaging Superfund toxic waste sites. While climate change drives up the costs, the program's solvency also threatens to buckle under a depleted Trust Fund and bankruptcy loopholes that have not been closed in over twenty-five years.

Extreme weather conditions that have impacted Superfund sites include Hurricanes Ike in 2008, Katrina and Rita in 2005, tornadoes in Oklahoma and Iowa in 2008 and related flooding in Iowa, Kansas, and Missouri in 2008. From 2004 through 2008 alone, 56 Superfund sites were impacted by hurricanes in the Gulf Coast region. *"The strong winds of hurricanes and tornados can cause significant damage such as disrupting contaminated soils and moving waste barrels long distances. Flooding can dislodge buried waste and spread contamination in soil. Refinancing the financially ailing Superfund becomes even more critical when you realize the vulnerability of Gulf Coast communities facing another hurricane that can spread toxic waste from Superfund sites,"* says CHEJ Science Director, Stephen Lester.

Another threat to Superfund is the eye of the economic storm, corporate bankruptcies, where polluting companies are allowed to avoid the costs of cleaning up their site by declaring bankruptcy. Recently, the American Smelting and Refining Company (ASARCO) filed for Chapter 11 reorganization starting a process that could result in the largest, most environmentally significant bankruptcy in America's history as the company has 94 Superfund sites in 21 states. This unfair burden on Superfund is due in part to the Environmental Protection Agency's irresponsible inaction, say the report authors. When the Superfund law passed in 1980, it required EPA to create financial assurance regulations so that polluters could not evade cleanup costs by declaring bankruptcy. Nearly thirty years later, a federal court recently ordered EPA to issue the regulations and close the bankruptcy loophole.

While increased costs are on the rise, Superfund's financial crisis has been clear since polluter pays fees lapsed in 1995, causing the program's bankruptcy in 2003 when taxpayers picked up the bill at approximately \$1.2 billion per year. As a result, there has been a Superfund slowdown and under the Bush Administration (2001 to 2008), there was more than a 50% decrease in the pace of site cleanups. There is only one solution—Congress must reinstate the polluter pays fees, say the report authors. Without fees to replenish Superfund, there is simply not enough money to do the critical job of cleaning up hundreds of toxic waste sites. Given the poor economic climate, it is unfair to expect the American taxpayers to pay for 100% of the annual costs of this program.

"The time to act is now. The country cannot afford to continue bailing out polluters while the list of unfunded sites grows. Congress should restore the polluter pays fees and enable Superfund to move forward and respond to new toxic threats. The core principle of the Superfund program is that polluters, not taxpayers, should pay to clean up these deadly toxic waste sites," says CHEJ Executive Director, Lois Gibbs. Gibbs was a leader of the successful community fight to relocate over 800 families away from the Love Canal toxic waste dump in Niagara Falls, NY which led to the creation of the Federal Superfund in 1980.

CHEJ and 40 groups in 23 states are delivering the report to federal policymakers today with an appeal to reinstate polluter pays fees, supported by President Obama in his proposed budget, Representative Earl Blumenauer's HR 564 bill and Senator Frank Lautenberg's soon-to-be introduced legislation. One of the fees, the Corporate Environmental Income Tax paid by companies with \$2 million or more in profits, was only \$12 on every \$10,000 in profits—the price of a large, cheese pizza. Groups will be delivering a pizza to Senators and House Representatives to highlight the low cost of corporate Superfund fees.

"We have all been shocked by the creative accounting employed by the likes of Bernie Madoff, but where is the outrage over creative bankruptcies that can allow companies like ASARCO to unload billions of dollars of cleanup costs onto taxpayers? Its time for EPA to close the bankruptcy loophole and for Congress to reestablish the polluter pay fees to replenish Superfund," says Anne Rabe, CHEJ Campaign Coordinator.

To view the report, which also features background information on Superfund's fiscal crisis and Superfund Site Profiles in AK, AZ, CA, CO, CT, DE, FL, ID, IL, ME, MA, MI, MO, NJ, NM, NY, NC, OK, OR, PA, PR, TN, TX, VT and WA, go to <http://www.chej.org/>

About CHEJ: CHEJ was founded in 1981 by Lois Gibbs, the community leader who led the successful fight to relocate over 800 families away from the Love Canal toxic waste dump in Niagara Falls, NY. CHEJ mentors a national movement to build healthier communities by empowering people to prevent harm caused by toxic chemical threats. CHEJ has helped over 10,000 groups by providing the tools, direction, and encouragement to advocate for safe and healthy communities. <http://www.chej.org/>