date of enactment would ordinarily be subject to enforcement actions only if permit applications for such discharges are not filed within 3 years after enactment of the amendments.

The bill also contains an important provision clarifying the regulatory treatment of stormwater runoff from oil, gas, and mining operations. Section 402 of the Clean Water Act is amended to prohibit the Administrator from requiring permits for stormwater runoff from mining operations or oil and gas exploration, production, processing, or treatment operations or transmission facilities except when the runoff is contaminated by contact with the overburden, raw material, or various waste products. With this limitation on the permitting requirements for such stormwater runoff, important oil, gas, and mining operations will be able to continue without unnecessary paperwork restrictions, while protection of the environment remains at a premium.

The bill includes important provisions on clean lakes, research and management of pollution in the Great Lakes, and estuary management conferences. In amending the act's section 314 clean lakes authority, H.R. 1 provides for increased environmental protection with the addition of a new demonstration program. I am particularly pleased to see that Beaver Lake in Arkansas is included as one of the projects in this important $40 million demonstration program. The bill also authorizes EPA to conduct demonstration projects related to restoring the biological integrity of acidified lakes and watersheds through liming. In addition, H.R. 1 establishes a Great Lakes Program Office in EPA and a Great Lakes Research Office in NOAA to develop and implement environmental programs with special emphasis on the control of toxic pollutants. The bill also authorizes EPA to convene estuary management conferences to solve water pollution problems in estuaries throughout the country.

H.R. 1 makes numerous changes to improve dramatically the removal and control of toxic pollutants. Toxics present one of the greatest dangers to this Nation's health and welfare. The conference report addresses this increasing concern in numerous areas. For example, EPA is directed to identify toxic pollutants which may be present in sewage sludge and to promulgate regulations and impose conditions in section 402 permits to protect public health and the environment. H.R. 1 also contains important provisions relating to water pollution control levels to be achieved after the act's technology-based BPT/BCT/BAT standards have been met. States must submit to EPA lists of navigable waters for which applicable water quality standards are not expected to be achieved after implementation of the best available technology and after pretreatment requirements and new source performance standards are met. States must also propose individual control strategies to reduce the discharge of toxic pollutants. In addition, EPA must develop methods for establishing and measuring water quality criteria for toxic pollutants.

The bill allows case-by-case modifications of BAT limits for preexisting discharges from coal remining areas. This is consistent with the concern of the administration and the needs of the coal mining industries. In addition, the amendment ensures careful analysis of environmental concerns by requiring an applicant to demonstate that the coal remining operation would result in the potential for improved water quality. The conferees specifically agreed to retain the phrase "potential for" so that applicants would not face the unreasonable burden of showing actual improvement in every instance.

Another important regulatory issue involves EPA's variance for fundamentally different factors [FDF's]. Under current law, a discharger can apply for and receive modifications from otherwise applicable effluent guidelines upon demonstating that his plant is fundamentally different from the plants which EPA based its effluent guidelines. The Supreme Court recently ratified the FDF variance process in *Chemical Manufacturers Assoc. v. National Resources Defense Council, Inc.*, — U.S.—; 105 Sup. Ct. 1102; (1985). Today, Congress gives its full support for this administratively created FDF mechanism and provides further direction to EPA.

While it limits the availability of the FDF modification in some instances, the bill also recognizes the tremendous importance of the variance process to the Clean Water Act's regulatory program. For years, Federal courts have articulated many reasons for retaining FDF variances. By establishing variances from nationally applicable effluent limitations guidelines and standards, the FDF modification provides necessary flexibility to nationwide standards and allows necessary challenges to regulations in a nonrulemaking forum. Courts around the country have upheld nationally applicable effluent limits specifically because of EPA's FDF variance, which provided a needed "safety valve." See for example *American Frozen Food Institute* v. *Train* 539 F. 2d 107 (D.C. Cir., 1976) and *Natural Resources Defense Council, Inc.* v. *EPA*, 537 F. 2D 642 (2d Cir., 1976).

In NRDC versus EPA, the court held that the establishment of an FDF variance was a valid exercise of EPA's rulemaking authority pursuant to section 501(A) of the act. The court stated that, in the context of the Clean Water Act, the variance was particularly appropriate:

> The sheer number of point sources potentially subject to regulation and the rapidly approaching statutory deadlines required the EPA to restrict itself in the regulation promulgation process to a representative sampling of plants. It is entirely possible that the resulting regulations will prove ill-suited to some of the unsampled individual plants to which they will be applied in the permit process. Unless the variance clause is established, there is no guarantee that such a defect could be effectively remedied if it occurred. Review of the regulations pursuant to section 509 of the act is not an acceptable substitute. Since the act authorizes informal rulemaking, review of the regulations will tend to be narrowly confined. The petitioner's recommendation that the rulemaking procedure be reopened at the permit-granting stage is unnecessarily cumbersome.— 537 F. 2d at 647.

Finally, the court warned that "Not all of the thousands of plants in operation could be expected to fit into prefabricated molds or templates. By specifying a permit procedure, Congress implicitly conferred on the permit-grantor the privilege of continuing the broader regulations in light of the specific type of plant applying for the permit. Without variance flexibility, the program might well founder on the rocks of illegality." 537 F. 2d at 647.

Recognizing the importance of an FDF variance, the conferees last year refused to limit severely its usefulness or applicability. Thus, the conferees agreed to many of the provisions in the House bill rather than those in the Senate bill. Under new section 301(n), EPA may issue fundamentally different factors [FDF] variances from national effluent limitations guidelines or categorical pretreatment standards. The FDF application must be based on information which the applicant submitted, or did not have a reasonable opportunity to submit, during the relevant rulemaking. An applicant would satisfy the "did not have a reasonable opportunity to submit" test in the following situations:

First, the discharger knew of the rulemaking, but had no reason to know until the final rule was issued that certain data would be relevant to the specific nature of the final rules—that is, the subcategorization as well as the exact numerical limits—as they apply to his facility;

Second, the discharger knew of the rulemaking, but could not submit certain data showing fundamental differences because those data could not be generated until the final rules were issued and tests could be run to assess the expected performance of the facility in complying with the final numerical limits; and

Third, the discharger did not know of the rulemaking, due to lack of actual or constructive notice.

I am pleased that the conferees deleted provisions in each bill related to savings clauses and other statutes. As a result, the Water Quality Act of 1987 does not in any way affect the well-established rulings of Milwaukee, I, II, and III involving the Clean Water Act. Taken together, these decisions hold that, in interstate water pollution disputes, a downstream plaintiff State

may not apply Federal common law nor the State common or statutory law of the downstream State against an upstream State with EPA-approved water pollution contorl requirements. In Milwaukee II, the Supreme Court held that the "all encompassing program of water pollution regulation" under the Clean Water Act preempted the Federal common law of nuisance. As stated by the court:

> Congress has not left the formulation of appropriate Federal standards to the courts through application of often vague and indeterminate nuisance concepts and maxims of equity jurisprudence, but rather has occupied the field through the establishment of a comprehensive regulatory program supervised by an expert administrative agency.—*City of Milwaukee* v. *Illinois*, 451 U.S. 304, (1981).

Today, Congress leaves this comprehensive regulatory mechanism intact and does not in any way imply that Federal common law remedies are available to supplant or supplement remedies already available under the Clean Water Act. Interstate water pollution should be—and will remain—the subject of uniform Federal law and not the conflicting laws of various States.

I am particularly pleased the conferees deleted section 118—interstate dispute resolution—and section 119—preservation of other rights—of the Senate-passed bill. Both of these provisions were rife with potential mischief for the Clean Water Act's regulatory program. Section 118 established an unnecessary new dispute resolution process, mandating that EPA serve as an arbitrator in interstate disputes. Under current law, EPA can already intervene in such disputes as part of its review of State water quality standards. Section 119 would have fostered State enforcement of State statutory or common law by removing impediments to Federal court jurisdiction established by Milwaukee I, II, and III. Each State would be able to impose its own statutory or common law upon residents of other States and interfere with the regulatory actions of those other States. The result would have been contrary to a rational, orderly, and consistent regulatory scheme.

I do have some concerns about other regulatory provisions in title I. In certain respects, the conference report from last year failed to impose realistic deadlines and requirements or to provide the necessary amount of discretion and flexibility to EPA. As legislators, we must always strive to write laws that are workable and achievable. I am afraid that we did not do this consistently throughout the conference report. Because the bill before us today is the same in all substantive respects with last years conference report, my fears remain unabated.

My greatest concern is over the bill's compliance dates. The Senate bill from the previous Congress extended compliance deadlines for priority, conventional, and nonconventional pollutants to "as expeditiously as practicable" but not more than 3 years after the promulgation of effluent guidelines, with an outside date of July 1, 1988. The conference report adopted the Senate provisions, but modified the outside compliance date to March 31, 1989.

This is not a satisfactory—or sensible—resolution. Subsequent information and comments from EPA indicate that the deadline is unrealistic. It does not allow enough time to achieve compliance. Industrial direct discharges find themselves in an uncompromising situation, since EPA has not yet promulgated final effluent guidelines for various pollutants. Industrial facilities still waiting for guidance from EPA will have very little time to install necessary water treatment facilities. By retaining the March 31, 1989, deadline, I am afraid we are legislating fiction and defying common sense.

I am concerned that the bill's legally enforceable requirements, coupled with the act's citizen suit provisions may untimately harm the program. The cumulative load of deadlines throughout the bill may set up EPA, States, municipalities and industries for failure which will, in turn, breed endless litigation and disrespect for the law. As an example of the unreasonableness of some of the deadlines in the bill, I note that some of the deadlines imposed in the bill have already been missed. We must avoid imposing unrealistic requirements that result in courts—rather than expert agencies—running the Clean Water Act Program. I hope, Mr. Speaker, this new bill will not establish an unhealthy spiral of missed deadlines, lawsuits, congressional distrust, more deadlines, more missed deadlines, more lawsuits to infinity. If it does, then Congress should expect to revisit the whole issue again soon.

The conferees agreed on a new compliance date for achievement of effluent limitations guidelines: As expeditiously as practicable, but no later than 3 years after promulgation of the guidelines, but in no event later than March 31, 1989. During the discussion of this issue in the conference, it was noted that this deadline could pose a significant problem for some plants in the organic chemicals, plastics and synthetic fibers [OCPSF] industry. Our hearings clearly demonstrate that at least 3 years from promulgation is needed for most plants to comply. The guidelines for the OCPSF industry were required, by court order, to be issued by December 1986, a date that has passed without the guidelines having been issued. Even if the guidelines had been issued in December, OCPSF plants would have had only 2 years and 3 months to obtain permits and design, construct, install and operate the equipment necessary to meet the applicable limitations. It, therefore, appears that some OCPSF plants may fail to comply with their guidelines by the time required, not through any fault of their own, but simply because their guidelines were not issued early enough. Congress and EPA are both aware of their problem. Delay in promulgation of guidelines may make it impossible for some plants and industries to comply with the March 31, 1989 deadline. We agreed to address this problem in the conference report.

EPA told us that if presented with a compliance problem due to delay in guidelines promulgation, they would issue an administrative order to establish a reasonable compliance date for the discharger beyond March 31, 1989. The order would not assess a penalty for the discharger's failure to meet the statutory compliance date. EPA stated that it currently issues such orders to dischargers who are unable, because of delays in guidelines promulgation or permit issuance, to meet the July 1, 1984, deadline in existing law. EPA's statement that it would continue to issue these orders was the major reason for our March 31, 1989, outside compliance date. Issuance of such orders by EPA provides a useful method for remedying inequities suffered by specific plants as a result of the delay in guidelines promulgation. When a plant is issued this type of order, the plant should not thereafter be subject to suit—by EPA, a State, or a citizen—on the basis of its failure to adhere to the statutory compliance date. It is our intent that noncompliance which is not the fault of the plant should not be penalized in any way, whether administratively, legally, or in the eyes of the public.

On another issue, the anti-backsliding provision included in the bill, while designed to ensure that reasonable further progress is made in meeting the goals of the act, is not designed to prohibit industrial growth, nor to penalize those who have production-based permits.

Technology-based limits are often based on the level of production at a facility—pounds per ton. Permittees will continue to be able to increase their production or add to or change their manufacturing processes. They would, of course, still be required to maintain the effluent limitation guidelines—pounds per ton—issued by EPA for the appropriate industrial categories or subcategories as well as meet all applicable water quality standards.

The funding levels in H.R. 1 are both environmentally responsive and fiscally responsible. There is no unwarranted drain on the Federal Treasury in this bill. The level of $18 billion over 9 years for the current sewer grant program and the new State revolving loan fund represents a reasonable compromise and a worthy investment. The wastewater treatment needs of this Nation are steadily increasing. The creative financing in H.R. 1 will address these needs, but at the same time initiate the final phase of the transition to State and local self-sufficiency as soon as reasonably

possible. Mr. Speaker, this bill signals a movement from the current level of Federal financial involvement to a program focused on increased State and local self-sufficiency; it does not, however, abandon the crucial Federal-State-local partnership that has developed over the years.

One of the bill's most innovative proposals is its revolving fund program through which a State will be able to provide financing assistance to its political subdivisions and, upon repayment, be able to use that money again to construct needed pollution control facilities. These funds can be used for loans, guarantees, interest subsidies, and other nongrant purposes. Under this new authority, many more communities will receive funding for construction of needed wastewater treatment facilities. Countless communities have waited in vain for Federal funding, because they were too low on State priority lists. This new revolving fund program will help those communities meet their requirements under the act.

The bill will also remove current obstacles to the use of funding provided by Farmers Home Administration for Clean Water Act construction grant projects. Many rural communities would not be able to finance the substantial cost of meeting the act's requirements without use of FmHA funds.

Another important issue which the bill addresses is the problem of insuring that our ground water resources are adequately protected. Communities around the country face problems caused by pollution of the Nation's aquifers. Accordingly, the bill before us today calls upon EPA to undertake a study of the measures needed to adequately protect water resources at seven specified aquifers, including the Sparta aquifer in Arkansas. Because of the growing threat to ground water posed by point sources and nonpoint sources, it is appropriate that we dedicate our efforts to examining how we can best protect this important supply of water for millions of Americans.

Another provision of this bill with which I am particularly pleased is an increase in the rural set-aside program. Under the current law a Governor may set aside 4 percent of the State's construction grant funds to address water pollution problems in rural areas. This is an important provision which insures that our rural communities are not forgotten under the Clean Water Program. The conference report expands the rural set-aside program by requiring that at least 4 percent and not more than 7½ percent of a State's allotment shall be made available for rural problems.

Mr. Speaker, H.R. 1 provides vital funding to States and municipalities and makes farsighted changes to the Clean Water Act's regulatory program. It coordinates governmental and private actions in pursuit of one common goal: making our waters fishable and swimmable. The bill addresses the needs of municipalities and State governments, but at the same time recognizes the importance of increasing non-Federal self-sufficiency and decreasing Federal expenditures. In spite of today's budgetary constraints, H.R. 1 represents a worthy investment in our Nation's water quality. It is one of the most important environmental laws of the 100th Congress and perhaps of this decade. I urge my colleagues to support it fully. Furthermore, I urge the President to reconsider his objections to the bill and allow for it to become law.

Let me take a moment to congratulate the many Members who made such valuable contributions throughout this lengthy and arduous process. I want to thank the gentleman from New Jersey [Mr. HOWARD], who serves so ably as the chairman of the Committee on Public Works and Transportation, for his leadership and good judgment on this bill. I also want to congratulate the chairman last year and the ranking minority member of the Water Resources Subcommittee, the gentleman from New Jersey [Mr. ROE] and the gentleman from Minnesota [Mr. STANGELAND] for their tireless efforts, their spirit of cooperation, and especially for their comprehensive understanding of the issues. I especially want to thank the former ranking Republican member on the House Public Works Committee, the gentleman from Kentucky, Mr. Snyder, who so ably helped to mold this bill. And of course, I would be remiss if I did not thank the able leadership of the Environment and Public Works Committee in the other body for its guidance and cooperation.

Finally, Mr. Speaker, I would be remiss if I did not take this opportunity to thank all of the staff who worked so tirelessly over the years toward passage of clean water legislation. In particular, I would like to thank—and to congratulate—Gabe Rozsa, Ben Grumbles, Kathy Guilfoy, Errol Tyler, Ken Kopocis, Randy Deitz, and Charlotte Miles of the Water Resources Subcommittee. I would like to give a special note of appreciation to John Doyle. John served the members of the committee and, indeed, all of the Members of the House over the past 8 years as minority counsel to the Water Resources Subcommittee. He recently left the committee staff to assume new responsibilities as the principal Deputy Assistant Secretary of the Army for Civil Works. During the past few years he helped craft this bill in many ways and my colleagues and I are deeply indebted to him for all his help. I would also like to thank the Senate staff, including Bob Hurley, Phil Cummings, Jeff Peterson, Jimmy Powell, Ron Outen, and Steve Shimberg. All of these people worked practically nonstop for months, dedicating countless nights and weekends to make this moment happen. Some individuals endured this lengthy process for over 4 years. Because of their efforts, we have a bill that everyone can be proud of.

□ 1330

Mr. FIELDS. Mr. Speaker, will the gentleman yield?

Mr. HAMMERSCHMIDT. I yield to the gentleman from Texas.

(Mr. FIELDS asked and was given permission to revise and extend his remarks.)

Mr. FIELDS. Mr. Speaker, as a cosponsor of H.R. 1, I rise to express my strong and enthusiastic support for the passage of this critically important legislation.

This bill, which is the product of several years of hard work, is virtually identical to a proposal which unanimously passed both bodies of Congress last year.

The fundamental purpose of this legislation is to reauthorize the landmark and historic Federal Water Pollution Control Act.

This law, better known as the Clean Water Act, is one of our most important and prominent environmental statutes. Since its enactment in 1972, impressive strides have been made in cleaning up thousands of lakes, rivers, and streams throughout this Nation.

Mr. Speaker, today we have an opportunity to renew our commitment to the national goal of making all of our waters fishable and swimmable for the benefit of every American.

While there are a number of key provisions contained within this legislation, including an extension of the Federal Wastewater Treatment Program, I will confine my remarks to the specific portion of this bill dealing with the Federal Clean Lakes Program.

Incorporated within section 315 is important language to improve water quality in Lake Houston, which is located in my congressional district.

Mr. Speaker, Lake Houston is a 12,000-acre manmade lake located within Harris County, TX. Owned by the city of Houston, it was created to provide residents with an alternative source of drinking water to replace the area's rapidly depleting ground water supply.

Based on current needs and projections, it is expected that the Lake will continue to provide drinking water to some 40 percent of the city's population.

As the Members of Congress who proudly represents the Lake Houston area, I have long recognized the importance of this vital watershed in providing both safe drinking water and recreational opportunities for thousands of my constitutents.

For these reasons, I have viewed with alarm the periodic increases of fecal coliform bacteria in the lake. In fact, at one point the Houston Water Department found that 12 out of its 14 sampling locations around the lake ex-

ceeded the pollution standards for water used for contact recreation.

While water quality in the lake has fluctuated in recent months, the problem of fecal coliform bacteria remains a serious and unresolved matter.

In response to this problem, I introduced legislation in the last two Congresses to improve the water quality in Lake Houston. In addition, I have worked closely with the members of the House Public Works and Transportation Committee.

Mr. Speaker, I am extremely grateful that my efforts on behalf of Lake Houston have been included within H.R. 1, and I want to particularly thank our distinguished colleagues, Congressman JIM HOWARD, BOB ROE, JOHN PAUL HAMMERSCHMIDT, and ARLAN STANGELAND, for their invaluable assistance. I am convinced that this legislation will have a very positive and significant impact on water quality in this vital watershed.

Mr. Speaker, as currently written, Lake Houston has been selected as 1 of 11 major nationwide projects which will participate in a new and innovative lake water quality demonstration program.

The purpose of this multifaceted program will be to: First, develop cost-effective technologies for the control of pollutants in order to preserve or enhance lake water quality; second, control nonpoint sources of pollution; third, demonstrate environmentally preferred techniques for the removal and disposal of contaminated lake sediments; fourth, develop improved methods for the removal of silt, stumps, aquatic growth, and other obstructions which impair the quality of lakes; and fifth, construct and evaluate the use of silt traps or other devices to prevent or abate the deposit of sediments in our lakes.

In addition, it will evaluate the feasibility of implementing consolidated pollution control strategies such as regional wastewater treatment plants.

While I do not intend to prejudge the findings of this program, it is clear that the more than 200 wastewater treatment plants that are located in and around Lake Houston have had a tremendous impact on this watershed. It is these plants, or at least some of them, which have been identified as the source of the pollution problem.

In order to carry out this important demonstration program, H.R. 1 authorizes an appropriation of $40 million which will be available until expended.

Mr. Speaker, with the enactment of my Lake Houston Project, we will not only guarantee an improvement in the water quality of this lake but we will prevent the development of a hysteria that Lake Houston is a dirty, polluted body of water.

Mr. Speaker, Congress made a commitment to the American people through the Clean Water Act that our Government would improve and maintain the highest quality of our precious water resources.

Passage of the Water Quality Act of 1987, H.R. 1, will continue that vital commitment to both our Nation and to the people of the Eighth Congressional District. We must ensure that in the years ahead our rivers, lakes, and streams are safe and pure for all Americans.

I would urge my colleagues to strongly support the immediate passage of this most important legislation and to join with me in encouraging the President to sign this vital measure into law.

Mr. HAMMERSCHMIDT. Mr. Speaker, I reserve the balance of my time.

Mr. HOWARD. Mr. Speaker, I yield 4 minutes to the new chairman of our Subcommittee on Water Resources, the gentleman from New York [Mr. NOWAK].

(Mr. NOWAK asked and was given permission to revise and extend his remarks.)

Mr. NOWAK. Mr. Speaker, I am pleased to speak in support of H.R. 1, the Water Quality Act of 1987. This bill is the result of 4 years of work by the Congress and months of negotiation with the Senate. It is the same legislation which passed this House unanimously by a vote of 408-0 and passed the Senate by 96-0, this past October. Despite this overwhelming support, the President pocket-vetoed the legislation. We now must reapprove this legislation with the same overwhelming support as in the 99th Congress to assure that this bill becomes law.

H.R. 1 is a continuation of our commitment to the cleanup and maintenance of our Nation's waters. The bill reauthorizes the construction grants program to provide $9.6 billion over 5 years through 1990 for much-needed aid to localities for the construction of sewage treatment facilities. In addition, $8.4 billion is provided over the 6 years from 1989 through 1994 to establish State revolving loan funds. These State revolving funds, together with the construction grant authorizations, will enable municipal water pollution control needs to be met within a reasonable time.

Mr. Speaker, at this time I would like to engage in a colloquy with the gentleman from New Jersey to clarify the funding provisions of the Great Lakes amendment, that have been incorporated into this legislation.

First, I would like to thank the gentleman for his support of the amendment, which for the first time establishes a coordinated cleanup program for Great Lakes. This is a small part of the bill, but a big step forward for the Great Lakes, and I think the gentleman can be proud of his role in helping to make it happen.

As I explained earlier, the amendment provides $11 million per year from fiscal 1987 through fiscal 1991 to be subdivided as follows: $4.4 million for demonstration cleanups of toxic-contaminated sediments; $3.3 million for a NOAA research program; and $770,000 for nutrient monitoring. I just want to clarify that these funds are to be provided in addition to the existing appropriation for the Great Lakes National Program Office.

Mr. ROE. Mr. Speaker, if the gentleman will yield, the gentleman's understanding is correct. The purpose of the amendment is to build on the agency's existing resources, not to displace them.

Mr. NOWAK. Mr. Speaker, if we viewed the amendment any other way, our goals would be thwarted. The Great Lakes National Program Office currently has an operating budget of $5 million per year. That money is used to support vital projects such as studies of atmospheric deposition in the lakes, and toxic contamination in nearshore areas. These ongoing activities are required by the United States-Canada Water Quality Agreement. If this amendment were to be seen as displacing the existing GLNPO appropriation we would actually be reducing funding for these activities to $2.5 million per year. I just want to make clear that the committee does not intend such an illogical result.

Mr. ROE. That is right. The point of this amendment is to reverse a decade of neglect of the lakes, not to add chaos to EPA's existing programs. A recent National Academy of Sciences' report found that the population of the Great Lakes is exposed to appreciable more toxic substances than those in other parts of the United States. This amendment will provide the EPA with resources to help reverse that trend.

The bill also contains a provision establishing a procedure for the Environmental Protection Agency to address the problem of toxic hot spots. These toxic hot spots occur in areas where water quality fails to meet applicable standards, notwithstanding the dischargers being in compliance with applicable permits. EPA will require pollution controls beyond those associated with installation of best available technology, to reduce and eliminate these toxic hot spots.

Other important provisions of the bill, and of particular importance to me, relate to the monitoring and control of pollution in the Great Lakes. These provisions would designate EPA's Great Lakes Program Office as the lead agency responsible for United States compliance with the United States-Canada Water Quality Agreement. It would require EPA to establish a toxics monitoring and surveillance network for the Great Lakes and develop a multiagency program for cleanup. The legislation would begin the cleanup of the Buffalo River as a demonstration of ways to address removal of sediments contaminated by toxic pollutants.

To implement these Great Lakes provisions, the bill contains an authorization of $11 million per year for fiscal years 1987 through 1991 to be divided as follows: $4.4 million for demonstration cleanups of toxic-contaminated sediments; $3.3 million for a National Oceanic and Atmospheric Administration Research Program; and, $770,000 for nutrient-monitoring. These amounts are in addition to existing appropriations for the Great Lakes National Program Office and are not meant to displace current resources.

The bill establishes a national policy that programs for the control of nonpoint sources of pollution be developed and implemented in an expeditious manner. The bill provides $400 million over 4 years to States or combinations of adjacent States to implement nonpoint source management programs. Since as much as 50 percent of the pollution in our waters, is estimated, to be caused by nonpoint sources it is imperative that this pollution be addressed promptly.

Our efforts toward clean water are further strengthened by the strong antibacksliding section in the bill. That section prohibits, except in certain narrow circumstances, the ability of a permitted discharger to increase the amount of pollutants discharged, when permits are renewed or modified. This will aid in the effort to obtain continually cleaner water in our Nation.

The legislation provides for increases in civil and criminal penalties for violations of the act. It also provides for the addition of new authority for EPA to impose administrative penalties to add to EPA's enforcement capabilities under the act. Hopefully the increases in penalty amounts and the addition of administrative penalties will reduce violations of the act and discourage those parties who would choose to violate the act with little fear of punishment.

There are numerous other provisions in the bill which continue our efforts to cleanup and maintain our Nation's waters. The passage of the bill will once again send a strong message to the administration on the urgency of addressing the nation's need for responsible and effective measures, to achieve and preserve the quality or our waters. I urge my colleagues to give unanimous support to the legislation, as this House did only a few weeks ago.

Mr. HAMMERSCHMIDT. Mr. Speaker, I yield one minute to the gentleman from Minnesota [Mr. STANGELAND], the ranking member of the Water Resources Subcommittee, and hard working member of our committee.

(Mr. STANGELAND asked and was given permission to revise and extend his remarks.)

Mr. STANGELAND. Mr. Speaker, I rise to address provisions in H.R. 1, the Water Quality Act of 1987. This legislation is the result of conference discussions in the 99th Congress spanning over 6 months and work, by House and Senate committees spanning over 4 years. Weeks of hearings, thousands of pages of testimony, and countless hours of analysis, discussion and debate led to development of this vitally important environmental legislation.

H.R. 1 should look strikingly familiar to each of us. This legislation—like its counterpart S. 1—is virtually identical to the conference report on S. 1128, which passed the House and Senate unanimously—by combined votes of 504 to 0—less than 3 months ago but was pocket vetoed by the President on November 6. As a matter of fact, H.R. 1 is the same as S. 1128 except for a few purely technical changes, such as replacing 1986 with 1987 in the act's name to reflect the new year.

I should also point out that despite its immediate consideratoin in the 100th Congress, H.R. 1 has a complete legislative history in the form of documents from the 99th Congress. To determine congressional intent in H.R. 1, one should first consult the conference report on S. 1128 and then, if necessary, committee reports and floor statements for the 99th Congress' House- and Senate-passed bills (H.R. 8 and S. 1128). These documents, particularly S. 1128's conference report, provide a detailed legislative history for H.R. 1 even though the new legislation introduced just 2 days ago has no committee report, conference report, or statement of managers from the 100th Congress.

From the outset, let me thank and congratulate all the key players in the 99th Congress responsible for his legislation. In particular, I would like to commend the chairman of our Public Works Committee, Mr. HOWARD, the full committee's ranking Republican member, Mr. SNYDER, and the subcommittee chairman who presided over the conference, Mr. ROE. Chairman ROE worked tirelessly for the past two Congresses holding hearings, researching the issues, and perfecting the bill's language. He devoted entire weekends and worked constantly around the clock to bring this legislation to us today. I also want to congratulate last year's Senate conferees, particularly Senators CHAFEE, STAFFORD, BENTSEN, MITCHELL, and MOYNIHAN. They deserve our thanks, not only for their hard work and dedication, but also their patience and willingness to find balanced and acceptable solutions to the myriad of water quality problems facing this Nation. Special thanks are also due to Members of the 100th Congress—particularly the new ranking minority member of the House Public Works Committee, JOHN PAUL HAMMERSCHMIDT, and the new chairman of the Water Resources Subcommittee, HENRY NOWAK, for their contributions and bipartisan cooperation.

Mr. Speaker, months ago very few in this Chamber, or in Washington for that matter, would have predicted the House and Senate could reach agreement in the Clean Water Act Conference. The issues were seen as being too complex and time consuming. Most people felt the clean water bill would simply be lost in the rush to adjourn. Yet, the conferees were able to achieve compromise in the form of a carefully crafted, well reasoned bill that earned the unanimous support of Congress. Our success was due not only to the dedication of all involved in last year's conference, but, more importantly, to the commitment of Congress and the American people to the goals of the Clean Water Act.

H.R. 1, which is virtually identical to the conference report on S. 1128, represents a balance of House and Senate interests and, quite honestly, is a better product than either of its two predecessor bills, H.R. 8 in the House and S. 1128 in the Senate. The resulting legislation ensures full protection of the environment in a way that adequately protects those who bear the cost of the required protective measures.

Under the conference substitute embodied in H.R. 1, the Construction Grant Program continues at the current annual authorization level of $2.4 billion through fiscal year 1988. Thereafter, the program authorization level is reduced to $1.2 billion per year until the program is eliminated, beginning in fiscal year 1991. This adopts the funding level in the Senate bill and represents a responsible approach to a total phase-out of the construction grant program.

Mr. Speaker, we cannot just walk away from communities that have not received grant funding because, quite frankly, they have polluted less. If we did nothing more than discontinue the construction grants program sometime in the future, this improper result would occur. The conferees' solution to this problem was to provide the same type of transitional financing mechanism contained in both House and Senate bills. That mechanism, now commonly referred to as State revolving fund capitalization grants, originated in the 98th Congress in the House-passed version of this legislation. After a year-long study by EPA, the Agency endorsed the idea, and in the 99th Congress our counterparts in the Senate included authorization for State revolving fund grants in their bill, improving on some of the orignial House concepts. H.R. 1's provisions are the end product of this evolutionary process, and the new State revolving fund authorities we bring to you today will possibly put the States in a position a few years hence to adequately fill the financial assistance void that would otherwise be created by phasing out the construction grants program.

To assist in the phase-out of the Construction Grant Program, we are

calling for funding for a new revolving loan program. Revolving loan funds have been tried in a number of States, including my State of Minnesota, and found to be an extremely effective way to spend scarce resources in a way that broadens our ability to achieve the act's purposes. Under this program, the Federal Government will help provide seed money to establish State revolving funds which local communities will use to help finance needed wastewater treatment facilities. Federal moneys made available for these funds would be subject to certain restrictions on their use, as are moneys provided through the Construction Grant Program. As these moneys are repaid into the fund, the restriction on how the funds can be used would be eliminated, thereby allowing the States greater flexibility and freedom in financing municipal wastewater treatment programs.

Mr. Speaker, the allotment formula was another central issue in the conference. The House bill continued the existing formula for distributing the grant funds to individual States. The Senate bill, however, contained a new formula that was totally unacceptable to the House and that would have had States represented by a majority of the Members of the House receiving reduced shares of Construction Grant Program appropriations. My State of Minnesota stood to lose 15 percent of its annual allotment in the first 3 years and 20 percent in the last 2 years of the program under the Senate formula.

I was extremely pleased the conferees agreed to adopt an allotment formula substantially different from that in the Senate bill, under which funding for the overwhelming majority of States stays at or near the level of funding under current law. Where there are changes up or down, they are generally slight. For example, my State of Minnesota will get a slightly lower allotment than under current law, but by only $350,000—a change of less than 1 percent of the State's annual allotment of almost $45 million. This is a major victory not only for my home State, which would have lost $9 million per year under the Senate formula, assuming an appropriation of $2.4 billion, but also for the House's position on this issue.

I am also pleased H.R. 1 retains section 202(e) of last year's conference report on S. 1128. This provision recognizes the importance of the activated biofilter feature of the treatment works project for Little Falls, MN. The subsection provides that the city's activated biofilter component is deemed to be an innovative waste water process and technique and is eligible for increased grants, which the act makes available for innovative technology projects.

Mr. Speaker, H.R. 1 also calls for a major new program to address the serious problems posed by nonpoint source pollution. This initiative recognizes the growing problem of nonpoint source pollution, which contributes as much as one-half of all pollution affecting our waters. Under the program, States must establish nonpoint source programs which identify waters contaminated in whole or in part by nonpoint sources and develop management plans to deal with such pollution.

Under these management plans, the States would develop best management practices [BMP's] which are intended to be the primary water quality improvement and water quality compliance mechanism. Water quality standards established under section 303 of the act would be used to determine where nonpoint source management programs are necessary and assess the overall effectiveness of the nonpoint source management program, including BMP's, in achieving the goals of the act. Where water quality standards are not achieved, the BMP's may need to be reviewed and updated in the State Water Quality Management Program.

The bill authorizes a total of $400 million to assist States in setting up their nonpoint programs. In addition, 1 percent of a State's allotment under the Construction Grant Program or $100,000, whichever is more, would be set aside to be used for nonpoint source pollution management. Furthermore, States with greater needs in the area of controlling this kind of pollution could use up to 20 percent of the State's construction grant funds for nonpoint source problems. This increased flexibility will allow States to better target Federal funding to where it will do the most good.

Mr. Speaker, H.R. 1 provides for a strengthened and improved Clean Lakes Program under section 314 at an annual funding level of $30 million. In addition, $15 million is authorized for cleanup of acidified lakes and a $40 million special demonstration program is established for cleanup of seven specified lakes. I am particularly pleased the conferees were able to agree with me about the pressing need for this new lake cleanup program. I am also gratified that Sauk Lake at Sauk Centre, MN, is one of the lakes named in the bill. Funding under this demonstration program will allow EPA to implement measures to restore this important water body to its once pristine condition.

Mr. Speaker, another significant issue addressed in H.R. 1 relates to exemptions contained in the House and Senate bills for stormwater discharges. Under current judicial and administrative interpretations of the law, businesses and municipalities that channel and discharge ordinary stormwater into a navigable water must obtain NPDES permits.

The House and Senate crafted differing exemptions from this requirement to allow EPA and the States to focus their attention on the most serious problems. The conference substitute—now H.R. 1—adopts a new approach, incorporating and building upon the elements of both bills. With respect to municipal separate storm sewers, the bill provides that larger systems—those serving populations of over 100,000—would be subject to a permit requirement, phased in over the next few years. The conference report streamlines and phases in the permit requirements in a way to ensure that the largest systems are dealt with first and at a realistic pace. The compromise represents a balanced and targeted approach to dealing with municipal stormwater discharge problems, while at the same time establishing useful mechanisms for addressing less serious stormwater discharge pollution situations after the highest priority environmental problems are solved. The provision is meant to provide relief where it is appropriate, to cities without serious stormwater pollution problems, while providing EPA and the States with the time they need to properly address this major national water quality need.

H.R. 1 does not provide a specific permit exemption for stormwater discharges associated with industrial activity, although it does provide a new timetable for regulating such discharges. A discharge is "associated with industrial activity" if it is directly related to manufacturing, processing or raw materials storage areas at an industrial plant. Discharges which do not meet this definition include those discharges associated with parking lots and administrative and employee buildings.

Mr. Speaker, H.R. 1 also contains a number of other significant improvements to the Clean Water Act. We have included dynamic initiatives for addressing toxic hot spot problems and the increasing problem of ground water contamination. Another provision expands the existing exemption for return flows from irrigated agriculture to include agricultural stormwater discharges.

One of H.R. 1's most significant provisions combines concepts in both the House and Senate bills passed in the 99th Congress limiting the authority of the Administrator to issue "fundamentally different factor" modifications. The conferees agreed to place certain limitations on EPA's FDF authority in an effort to encourage dischargers to be forthcoming with necessary information when EPA is in the process of establishing applicable effluent guideline regulations. The conferees also devised the restrictions contained in the conference report on this issue in order to expedite decisionmaking with respect to FDF applications that are filed. We took these actions in an effort to narrow the FDF modification opportunity in such a way as to avoid rewarding recalcitrant or otherwise uncooperative FDF applicants.