



OPPOSE NEW SUPERFUND TAXES

- ***New Superfund tax is a job-killer and a gift to foreign manufacturers.***
A new Superfund tax means increased costs on U.S. chemical manufacturers and their customers – companies that produce the vast majority of U.S. manufactured goods. This means job losses both in the chemical industry and in virtually all U.S. manufacturing, in favor of foreign competition whose goods would bear no similar tax burden. An excise tax on the most basic materials is simply a gift to foreign manufacturers, a job-killer and plant-closer in the U.S.

Under one Superfund tax proposal, increased tax rates would actually exceed profit margins on some chemicals and exceed the cost of capital for virtually all. Under all proposals, the excise tax would erode margins enough to give foreign manufacturers a significant advantage. International competition sets world-wide prices for basic chemicals, such that U.S. producers may not be able to increase prices, within the U.S. or for exports, in order to make up for the additional tax cost. No matter how the tax burden is divided, Superfund tax would mean contraction of U.S. product lines and plant closures for the chemical industry and its customers -- at the very time the U.S. struggles to shore up the manufacturing base and stem job losses.

- ***Superfund tax revenues would pay for other government programs – not just site clean-up.***
Spending for the Superfund program has never had anything to do with Superfund taxes. There was no relationship between the EPA Superfund budget and Superfund tax receipts or the size of the “trust fund”, even before the tax expired. As with virtually all other federal programs, the Congress has chosen to retain control of the Superfund program through appropriations. New Superfund taxes are essentially additional revenues for the general fund and would NOT increase the scope or pace of the Superfund program. Also, since inception of the program, EPA has typically redirected approximately half its yearly appropriations to activities at best indirectly connected with site clean-up – general agency management, staff expense, and grants to other programs and agencies.
- ***Arguments that new Superfund taxes would ensure that “the polluter pays” are flat wrong.***
The costs of site clean-ups are paid directly by “responsible parties”, even if only a single responsible party is available. Since inception of the Superfund program, responsible parties have paid for over 70% of clean-ups. The government pays for clean-up only of “orphan sites”. Chemical manufacturing created only a small fraction of all Superfund sites (8.7%), few of these sites were orphans, and virtually none remain for clean-up.
- ***Superfund taxes are unrelated to sites still to be cleaned-up.***
Chemical excise taxes would bear no relationship whatsoever to the categories of orphan sites remaining. Such sites were produced by mining, landfills, rail yards, farms, animal feedlots, junkyards, and a wide variety of other categories, including a very large number of sites at military installations and weapons plants. According to EPA, mining sites present the greatest challenge currently facing the Superfund program. The chemical industry has paid three times over: (1) paid to remediate sites for which it was responsible, (2) paid an “orphans’ share” at sites for it was only partially responsible, and (3) paid Superfund tax to clean up orphan sites created by unrelated parties.

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