

## Polluter Pays Fees

- The Comprehensive Environmental Response, Compensation and Liability Act of 1980 (CERCLA) created the Superfund program to respond to serious environmental threats posed by toxic waste sites.
- Superfund was initially funded via a “Polluter Pays” tax, which imposed a tax on parties responsible for pollution.
  - Examples of the Polluter Pays Principle in existing legislation include:
    - Taxes on carbon emissions in most industrialized countries.<sup>1</sup>
    - The Gas Guzzler Tax on motor vehicles in the United States.<sup>2</sup>
    - The Corporate Average Fuel Economy (CAFE) polluter pays fine in the United States.<sup>3</sup>
- The Superfund Polluter Pays tax expired in 1995 and has yet to be reinstated.
- Superfund currently has a funding shortage – after the tax expired in 1995, the fund was depleted of all Polluter Pays funds by 2003.
- Without corporations using chemicals contributing to the fund through the Polluter Pays tax, taxpayers currently pay for 80% of Superfund costs.<sup>4</sup>
- Since the Polluter Pays tax expired, the Superfund program has significantly suffered:
  - 37% decline in the number of remedial action completions between 1999 and 2013.<sup>4</sup>
  - 84% decline in the number of construction completions between 1999 and 2013.<sup>4</sup>
  - Decreased efficiency in completing each project – average completion time for each project increased from 2.6 years in 1999 to 4 years in 2013.<sup>4</sup>
  - One-third of new remedial actions projects that were ready to be started between 1999 and 2013 were delayed.<sup>4</sup>

<sup>1</sup> Carbon Tax Center. (2017). *Where is carbon taxed*. Retrieved from <https://www.carbontax.org/where-carbon-is-taxed/>.

<sup>2</sup> US EPA. (2018). *Gas guzzler tax*. Retrieved from <https://www.epa.gov/fueleconomy/gas-guzzler-tax>.

<sup>3</sup> NHTSA. (2018). *Corporate average fuel economy*. Retrieved from <https://www.nhtsa.gov/laws-regulations/corporate-average-fuel-economy>.

<sup>4</sup> US GAO Office (GAO 2015), *Superfund: Trends in Federal Funding and Cleanup of EPA's Nonfederal National Priorities List Sites*. GAO Report Number GAO-15-812. Available online at <http://www.gao.gov/assets/680/673051.pdf>



## Center for Health, Environment & Justice

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- An average of 20 sites per year were added to the National Priorities List (NPL) between 1999 and 2013.<sup>4</sup>
- The Superfund Polluter Pays Restoration Act of 2017 (S. 2198) was introduced in Congress in 2017 to reinstate the Polluter Pays tax via taxes on crude oil and specified chemicals.
- As the NPL continues to grow, it is imperative that a Polluter Pays tax be reinstated to fund the financially ailing Superfund program, and take the burden of financial responsibility away from taxpayers.

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<sup>1</sup> Carbon Tax Center. (2017). *Where is carbon taxed*. Retrieved from <https://www.carbontax.org/where-carbon-is-taxed/>.

<sup>2</sup> US EPA. (2018). *Gas guzzler tax*. Retrieved from <https://www.epa.gov/fueleconomy/gas-guzzler-tax>.

<sup>3</sup> NHTSA. (2018). *Corporate average fuel economy*. Retrieved from <https://www.nhtsa.gov/laws-regulations/corporate-average-fuel-economy>.

<sup>4</sup> US GAO Office (GAO 2015), *Superfund: Trends in Federal Funding and Cleanup of EPA's Nonfederal National Priorities List Sites*. GAO Report Number GAO-15-812. Available online at <http://www.gao.gov/assets/680/673051.pdf>