



CLEAN WATER ACTION

MICHIGAN

September 23, 2010

Honorable Members of the New Economy and Quality of Life Committee,

On behalf of Clean Water Action's over 250,000 Michigan members, I urge you to oppose House Bill 6416. Clean Water Action does not support any redirection of Great Lakes Water Quality Bond dollars from their intended purpose, reducing the amount of sewage in Michigan's waterways.

In 2002, Michigan voters made a choice to invest in sewage and septic improvements in order to reduce the vast quantity of sewage entering our rivers and lakes. Almost a decade after the Great Lakes Water Quality Bond's passage, there's still a huge problem in Michigan with water pollution from sewage. In 2008 alone, over 40 billion gallons of raw or partially-treated sewage was released into Michigan waterways.

Last month, the Healing our Waters (HOW) Great Lakes Coalition released a report highlighting the extent of the Combined Sewer Overflow (CSO) problem in the region. The report said Michigan needs \$7 billion dollars to fully fix the CSO infrastructure and HOW is calling for a \$972 million increase in federal funding for improvements in the Great Lakes region, with 20 percent of that money going to green infrastructure projects. Now is the time to increase investments in sewage improvements and stormwater management, not the time to raid the fund—albeit for valid purposes.

Reducing CSOs not only protects health and the environment, it:

- **Guards our state's valuable tourism industry.** Pollution caused 342 closing and advisory days for Michigan beaches last year as reported in Natural Resources Defense Council's annual report – Testing the Waters: A Guide to Water Quality at Vacation Beaches.
- **Creates thousands of much-needed jobs for the state.** According to the Brookings Institution, every \$1 invested in halting sewage contamination will bring \$2 in economic benefit.

Communities have been making good use of the State Revolving Fund (SRF) dollars. The Department of Natural Resources and Environment states that 403

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projects have been funded with over \$3.6 billion dollars in investments since the program started in 1989. Yet, annually tens of billions of gallons of sewage are polluting our waters, causing sickness, and making our waters unswimmable--taking money out of Michiganders' pockets. So, in 2002, over 60% of Michigan voters made a commitment to eliminate these sewage overflows.

If not enough communities have been taking advantage of this money, Clean Water Action is committed to working with others to improve access to these clean-up dollars. For example, it may increase involvement by moving to a grant program or by lowering interest rates for loans. Representative Leland's bill, HB 6417, does propose a Committee to study SRF access issues, and though we also oppose that redirection of sewage clean-up dollars, we are willing to work with such a Committee to determine how to maximize investments in sewage and stormwater improvements to clean-up Michigan's waters.

The cause of the sewage overflow problem in Michigan must be either an inability to access clean-up dollars or there is no threat of enforcement. Therefore, if after roadblocks to accessing the funding have been removed, and if communities are still plagued with CSO issues, the state must step up their enforcement measures. In some instances, such enforcement actions requiring stormwater and sewer improvements may be the only way to spur communities to address their overflow problems.

Clean Water Action understands that there are a shockingly large number of contaminated brownfield sites in the state. We know that some corporations have inflicted serious damage to the water and soil in communities in Michigan. And, we understand that many of these sites are orphaned and either the responsible party is unknown or the corporation "does not have the resources" to clean-up the site themselves. Yet, we do not support using voter-approved sewage clean-up bond funds for Part 201 clean-ups.

Clean Water Action is calling on this Committee and your colleagues in both chambers to stand-up to the relentless cuts to funding for environmental protections. This proposed re-shuffling of dollars is not going to solve the long-term funding shortage for environmental programs, including part 201 clean-ups. HB 6416 is a four-year fix and not a real solution to cleaning-up the dangerous brownfields that are holding back revitalizations of our urban centers.

Clean Water Action advocates for facing the funding challenge head-on by immediately acting to recapture revenue from tax loopholes that are no longer serving their purpose of Michigan job creation. Tax subsidies are given out for things like \$17.7 million to tobacco distributors or breaks for vending machine snacks which caused a loss of \$25 million a year. Or, the over \$37 million for satellite dishes and over \$1 million per well from low-flow oil wells that are being taxed at a lesser rate than more productive wells. Even though calls in Michigan and out of state are taxed, international phone calls are not taxed, which is robbing the state of \$18 million. A \$55 million dollar a year tax credit is given to polluting entities, just for meeting the requirements of law.

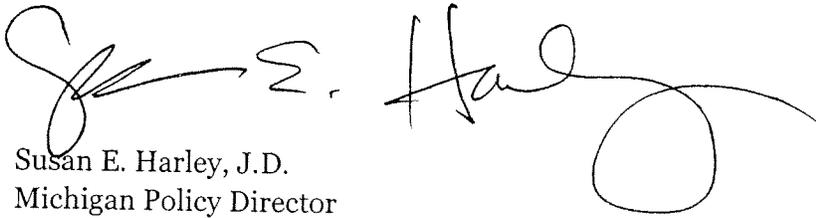
Eliminating these tax loopholes would bring revenue to the state needed to fund projects like Part 201 clean-ups. In 2009 alone, Michigan gave away **\$35 billion** in tax breaks – which is five times the state's general fund. Clearly some of these tax breaks are creating and retaining

jobs. We support rebuilding Michigan's economy, but the state needs to look at ending the tax breaks that are robbing funding from the state's environmental protections.

Clean Water Action is committed to working with this Committee to secure the dollars needed to properly fund implementation and enforcement of the environmental protections we worked hard to secure. We worked to create Part 201 funding through passage of the Clean Michigan Initiative--funding that has now run out. We also worked hard to get the Great Lakes Water Quality Bond on the ballot in 2002 and helped to get it passed by a large majority of the electorate.

But enough is enough. Future generations are already going to be paying back our bond debt. Michigan's lawmakers must fight now for the funding to keep clean the water that defines our state. The legislature must not continue raiding one program to pay for another. Clean Water Action urges you to step-up to the challenge and work towards a sustainable funding system that will leave a legacy of natural resource protections for generations to come. Please oppose HB 6416.

Sincerely,

A handwritten signature in black ink, appearing to read "Susan E. Harley". The signature is fluid and cursive, with a large loop at the end.

Susan E. Harley, J.D.
Michigan Policy Director

