

Statement
by
Chairwoman Marge Roukema
Subcommittee on Housing and Community Opportunity
In support of
HR 2941, The Brownfields Redevelopment Enhancement Act of 2001
March 6, 2002

Thank you all for coming today. Brownfields cleanup and redevelopment is a critical issue for this country and for my home state of New Jersey. The Subcommittee is meeting today to examine HR 2941, the Brownfields Redevelopment Enhancement Act introduced by Congressman Gary Miller from California.

Today local communities and states are eagerly looking for ways to cleanup and redevelop their brownfields sites. It is incredible to think that there are an estimated 500,000 brownfields in existence today across the country. Of these, over 12,600 are in my home state of New Jersey.

Brownfields sites are sites where redevelopment is complicated by potential environmental contamination, but that are less seriously contaminated than those covered under the Superfund Act. No matter how they are classified, these are possible health hazards and eyesores in the communities that should be cleaned up and put to better use. Redevelopment of these sites will go a long way to revitalizing the communities around them and will improve the quality of life and the environment in these areas.

While some states have established programs to encourage brownfields cleanup and redevelopment, liability involving the sites remains controlled by the strict standards of the Superfund law. Investors and developers have, therefore, been reluctant to purchase brownfield sites, out of concern they will become entangled in legal disputes and be forced to pay for unexpected cleanups.

On January 11, 2002, President Bush signed "The Small Business Liability Relief and Brownfields Revitalization Act," which provides up to \$200 million a year to States, local governments and Indian tribes for brownfields cleanup. That legislation more than doubles the \$92 million spent annually for brownfields cleanup to \$200 million. A liability measure within the bill protects the new owners of restored brownfields from having to pay any future cleanup costs. The legislation also calls for the creation of a public record of brownfield sites and encourages community involvement in

cleanup and reuse. It authorizes \$50 million a year for grants to local and State governments to start and enhance brownfields programs.

While the bill signed by President Bush has been widely hailed as a valuable step forward on the brownfields issue, H.R. 2941 is complementary legislation which addresses a different facet of brownfields redevelopment.

H.R. 2941, introduced by Congressman Miller of California focuses on providing access to capital for local entities that traditionally have had trouble obtaining financing for brownfields redevelopment activities. Most notably, H.R. 2941 authorizes appropriations for the Brownfields Economic Development Initiative (BEDI) program for the first time and eliminates the requirement that local governments obtain section 108 loan guarantees as a condition to receiving BEDI grant funding.

De-linking BEDI grants from section 108 loan guarantees is important because some small cities have great difficulty in securing or are unable to secure those guarantees. The current requirement that cities must leverage their CDBG funds in order to receive brownfields grants has discouraged many of our smaller communities from applying for these grants.

H.R. 2941 takes two other important steps. First, the bill authorizes appropriations for the BEDI program for the first time. And second, the bill establishes the "Pilot Program for National Redevelopment of Brownfields." This will enable the HUD Secretary to fund a common loan pool for brownfields economic development loans, to be distributed on a competitive basis.

Because the newly-passed "Small Business Liability Relief and Brownfields Revitalization Act" authorizes only \$200 million dollars with a \$1 million cap on funds to any individual locality, the Pilot Program funds will fill the gap for potential developers of the other hundreds of thousand of brownfields sites across the country.

Significantly, the FY 2003 HUD budget request submitted to the President proposes decoupling the brownfields program from the section 108 loan guarantee program to attract more participants. This mirrors the initiative taken in H.R. 2941.

I would like to take a moment to commend Congressman Miller and the Northeast Midwest Coalition for their work on this issues. They have worked closely with HUD officials to look for ways to make this program a more efficient and effective program that will provide state and local governments another source of funding for brownfield cleanup and

redevelopment. I would also like to thank Congressmen Jack Quinn and Marty Meehan for their work on this important issue.

With that, I would like to turn to the Ranking Minority Member for his statement, Congressman Frank.