

# Government Matters

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## **In This Issue**

### **Citizen Health & Safety**

[We Can Prevent Health Problems from Air Pollution by Strengthening Standards and Stopping Budget Cuts](#)

[Putting Profits Before People is the Real Tragedy](#)

[In Wyoming, Reporting Environmental Damage Could Land You in Prison](#)

[Ten Years after Toxic Chemical Settlement, DuPont Failing to Keep Its Promises](#)

### **Revenue & Spending**

[Proposal Would Block Inverted Companies from Receiving Government Contracts](#)

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## **We Can Prevent Health Problems from Air Pollution by Strengthening Standards and Stopping Budget Cuts**

**by Ronald White**

*"My asthma is highly reactive to ozone. On days like this I can hardly walk across the room. My quality of life is trashed by ozone."* This is just one of hundreds of personal stories about the devastating health impacts of air pollution that are posted on the American Lung Association's *State of the Air* [website](#).

Although we've made progress in reducing air pollution since Congress passed the Clean Air Act in 1970, continued advances in science have found that even low levels of pollutants like ozone and small particles can significantly damage our health. These pollutants can cause permanent respiratory system damage, send people with heart disease and chronic obstructive pulmonary disease (COPD) to the hospital, and cause severe, sometimes life-threatening asthma attacks. Breathing dirty air can also increase cancer risks and result in early death.

The Environmental Protection Agency (EPA) is in the final stages of deciding how much to strengthen the national air quality standard for ozone (smog) pollution. This will be one of the most important public health decisions the Obama administration makes, especially for children, elderly, and those with heart and lung disease who are most affected by ozone pollution.

## **The EPA can protect hundreds of millions of Americans from dirty air by adopting a strong ozone pollution standard.**

To highlight the importance of this issue, especially for those most vulnerable to its impacts, the Center for Effective Government has just released a new [report](#): *Gasping for Support: Implementation of Tougher Air Quality Standards Will Require New Funds for State Agencies*. The report and accompanying interactive [map](#) provide information on the people who would be protected if EPA listens to health scientists and medical professionals and adopts the strongest ozone standard level under consideration – 60 parts per billion (ppb).

Under this standard, some 206 million Americans would be able to breathe clean air. That's over 106 million more people than the number covered by the current, inadequate standard adopted by the Bush administration in 2008. This additional protection includes over 14 million elderly, 25 million children, including more than 2 million children with asthma, 7 million adults with asthma, and more than 5 million people with COPD and a similar number of people with heart disease.

## **A stronger ozone standard would prevent nearly 2 million asthma attacks and thousands of deaths every year.**

Compared to the current allowable level (75 ppb), an ozone standard of 60 ppb would prevent up to 5,800 premature deaths, 2,100 hospital admissions for breathing problems, 6,600 asthma-related visits to the emergency room, and 1.7 million asthma attacks in children every year. This would save between \$12-20 billion in health costs annually by 2025. And these estimates do not even include the additional \$2.1-3.6 billion in benefits from areas in California, which would have longer to meet the stricter standard.

## **We can't keep cutting clean air budgets if we want state agencies to effectively implement a stronger ozone standard.**

But we can only realize the health benefits of a stricter ozone standard if state and local air pollution programs have the resources to effectively implement it. The federal Clean Air Act gives primary responsibility for implementing our clean air programs to state and local air pollution control agencies. Federal support for these programs has fallen by 21 percent in inflation-adjusted dollars over the past decade while needs continue to increase. And Congress is poised to reduce EPA's budget yet again.

Substantial increases in funding for state and local air pollution control agencies will be necessary if states and cities are going to effectively respond to current and new responsibilities to ensure our air is safe to breathe. A first step would be for the federal government to provide the 60 percent funding match for state agencies that the Clean Air Act established. This would provide over \$600 million more in funding each year, which would be more than offset by health care savings from avoided emergency room visits, hospitalizations, and early deaths that occur as a result of dirty air. It could also prevent the pain and suffering that comes along with asthma attacks, heart attacks, and the deaths of family members and friends; this is a value that is difficult to translate into dollars and cents.

Adequately protecting the health of Americans cannot be done on the cheap. As our knowledge of the health risks of dirty air increases, the costs of inaction are clear. Failing to make investments in clean air now means we'll pay more later – in increased health care costs and a declining quality of life for everyone. We owe it to the health of the American public and future generations to make the right choice now.

As another concerned parent notes on the American Lung Association website: *"I want to fight for clean air because everyone has the right to breathe healthy air. I want my children to be able to play outside and not have an increased risk for asthma and other diseases. I want to be able to work and exercise outside."*

## **Putting Profits Before People is the Real Tragedy**

**by Scott Klinger**

**UPDATE:** Amtrak announced yesterday that it would have Positive Train Control up and operating on its heavily traveled Northeast Corridor routes before the [end of the year](#). Amtrak officials also told members of Congress that Positive Train Control has been installed in the area of Tuesday's crash, but it was still undergoing testing and had not yet been activated.

# # #

The eyes of the nation are still focused on the Amtrak disaster north of Philadelphia, and it is too early to know what caused the train to travel at such an excessive speed. But as we wait for the National Transportation Safety Board to provide details, a lifesaving bit of technology is gaining more attention. Called Positive Train Control, this technology allows on-board computers, track-side sensors, and remote computers to communicate with one another. When trains operate outside the bounds of safety – for whatever reason – they can be slowed remotely. Experts suggest that if such a system had been in place, we likely would have avoided Tuesday night's tragedy.

Positive Train Control was one of several forward-looking safety provisions included in the Rail Safety Improvement Act of 2008 (RSIA), which the railroad industry supported. [The act passed](#) the House with 87 percent of members voting in favor of it. The Senate passed it unanimously, and President George W. Bush quickly signed it into law.

The RSIA gave the nation's major railroads, including Amtrak and commuter railroads, seven years to implement Positive Train Control along their 60,000 miles of track. The technology would not only prevent accidents caused by excessive speed, but it would also prevent head-on collisions that occur when a switch is left in the wrong position.

Since the passage of the RSIA, many preventable accidents have occurred because implementation of Positive Train Control stalled. A year and a half ago, a Metro-North commuter train heading north out of New York City derailed after the engineer fell asleep at the controls and the train sped up to 82 mph while heading into a 30 mph curve. Four people were killed and 60 injured in that preventable tragedy. Three weeks ago, New York Governor [Andrew Cuomo announced the state would get a \\$1 billion loan from the federal government to immediately implement Positive Train Control](#) on both the Metro-North and Long Island Railway systems operated by the state.

Positive Train Control was to be fully in place by the end of this year, but almost as soon as the bill was enacted, industry started calling for more time. [Railroad executives complain](#) that the technology doesn't yet exist to build out the system, yet significant installations have been made. Amtrak has done more than most, [installing Positive Train Control on 400 miles](#) of Northeast Corridor track both north and south of Tuesday's

crash site. The rest of the Northeast Corridor, including the stretch where Amtrak 188 left the tracks, is next up for the lifesaving technology.

Extending Positive Train Control throughout the U.S. rail network is expected to cost about \$9 billion – slightly more than \$1 billion a year in lifesaving, asset-protecting investments for an industry where the top four companies reported more than \$15 billion in profits last year. The nation's three largest railroads that are public companies (Union Pacific, Norfolk Southern, and CSX) reported paying their CEOs a combined \$51 million.

Putting profits before people makes no sense morally. But it doesn't make sense financially, either. Beyond the incalculable loss of life in the preventable tragedies in the Amtrak and Metro-North accidents, there is economic cost that occurs when rail lines are shut down for rescue, investigation, and clean-up. Experts estimate that the closure of the rail line between Philadelphia and New York that resulted from Tuesday's Amtrak crash is costing the nation's economy [\\$100 million a day](#).

Dragging their feet and running out the clock in the face of lifesaving regulations is a part of standard operating procedure for America's biggest, most prosperous corporations. Business executives do it because they know it works to boost their bottom lines. But we also know that this behavior – whether it comes to adopting the best technologies to protect us when we travel, or to protect the air we breathe and the water we drink – causes injuries, illnesses, and even premature death.

Prior to Tuesday's tragedy, the Senate was poised to consider two different bills that would grant railroads extensions to implement Positive Train Control. [The Railroad Safety and Positive Train Control Extension Act \(S 650\)](#) introduced by Sen. Roy Blunt (R-MO) would grant a blanket 5-year extension for railroads to fully adopt the life-saving technology. The [Positive Train Control Safety Act](#), introduced by Sens. Charles Schumer (D-NY) and Richard Blumenthal (D-CT) which would grant railroads one-year extensions on a case-by-case basis, for up to three years.

Now is certainly not the time to be sacrificing public safeguards by putting profits before health and safety. How many more senseless deaths and injuries will need to occur before railroad executives get serious about doing everything they can to keep the public safe? Congress should stick to its year-end deadline and let the Federal Railroad Administration fine those that fail to meet them.

## **In Wyoming, Reporting Environmental Damage Could Land You in Prison**

**by Katie Vann**

Concerned Wyoming residents who want to protect their state's beautiful natural resources and keep their families safe from harmful contaminants have been silenced.

Earlier this year, the Wyoming legislature passed [a bill](#) making it a crime for citizens to collect information about the environment and report concerns to their state or federal government.

This means if Wyoming residents are worried about contaminants in their soil or whether the streams their kids play around will harm their health, they will be breaking the law if they test water or soil samples and send the results to their state environmental agency.

### **Why conceal this information instead of using it to clean up the environment?**

According to a recent [Slate article](#), a local environmental group found that many Wyoming streams are contaminated by *E. coli* bacteria. That contamination comes from cow waste that has seeped into waterways. Ranchers don't want to change their operations, cutting off the source of the pollution. Instead, they chose to cut off the source of complaints.

### **We've seen this strategy from big animal ag interests before.**

More than 20 state legislatures have introduced bills limiting public access to information about animal farming since 2011; four have passed. So-called ag-gag laws are aimed at whistleblower workers and concerned neighbors who share photos or videos from factory farms. This "gags" people from coming forward to report food safety threats, workers' abuses, environmental problems, and animal welfare issues. Many of these laws are based on a "model law" drafted by the American Legislative Exchange Council (ALEC) in 2002. ALEC is a conservative group for state legislators funded by corporations. The group promotes an anti-regulatory, pro-industry agenda.

### **Of all the industries that would benefit from citizen oversight, the beef industry, which has seen drastic cuts in government inspectors, may rank the highest.**

Here are just a few reasons why:

- Working on a factory farm or in a slaughterhouse is a dangerous job. Workers labor for long hours, are paid little, and experience high injury rates.
- Animal waste can contain [high concentrations](#) of *Salmonella*, *E. coli*, and *Cryptosporidium*. These pathogens, along with antibiotics, ammonia, heavy metals, and hormones can end up in waterways humans use for [drinking and swimming](#).
- Time and time again, whistleblowers have come forward with horrific accounts of animal abuses. In a [recent investigation](#) in Wisconsin, video shows workers cutting off cows' tails with pruning shears, spraying them in the face with high-pressure water hoses, and dragging them by their necks with ropes attached to tractors.

The meat industry has argued for self-regulation to avoid government inspectors. And they have threatened workers who come forward with complaints of illegal and unethical behavior.

### **We live in a democracy; it's time we start behaving like one. State legislatures should not be able to suppress information or muzzle citizen activism intended to improve our health and safety.**

At a time when corporate influence in government has never been stronger and EPA's resources are stretched to the breaking point, do we really want to silence the voices of everyday citizens who are trying to

make their community a safer place to live? We need more citizen-regulators, not fewer. We need more participatory enforcement of public safety, not less. We need more people engaged with government and less interference from industry.

## **Ten Years after Toxic Chemical Settlement, DuPont Failing to Keep Its Promises**

**by Amanda Frank**

In 1938, a DuPont chemist accidentally created a chemical compound that would make thousands of products water- and stain-resistant. The compound belongs to a family of chemicals known as [perfluorinated chemicals](#) (PFCs). PFCs soon made their way into nonstick cookware, carpeting, food packaging, and a host of other products.

But one of these chemicals (C8) turned out to be anything but the “miracle” chemical that DuPont claimed. A new [report](#) by the Environmental Working Group (EWG) reveals how DuPont covered up the health risks from C8 for decades – and how the company is renegeing on promises it made to victims of C8 exposure.

**DuPont has known about the negative health effects of C8 for more than 50 years.**

Internal research conducted by DuPont revealed that C8 has no safe level of exposure in animals. Subsequent studies demonstrated that PFCs accumulate in the body and are passed from mothers to their babies. Scientists also found cancer clusters among workers at C8 manufacturing plants and birth defects in children born to female employees

DuPont also monitored drinking water sources near its West Virginia manufacturing plant. In 1984, the company detected C8 contamination resulting from decades of waste disposal in landfills, unlined pits, and waterways.

**But rather than warning workers and the public about these risks – and alerting federal regulators, as required by law – DuPont hid these damning findings and continued to manufacture C8.**

It took the mysterious die-off of cattle near the West Virginia plant for local residents to become suspicious. In 1998, local ranchers sued DuPont, and their lawyer Robert Bilott uncovered DuPont’s secret water tests through a court order; this provided the evidence of the C8 water contamination the victims needed. Bilott helped the ranchers settle out of court and then went on to lead a class-action lawsuit on behalf of 50,000 local residents.

DuPont settled the class-action lawsuit in 2005, paying \$70 million dollars in damages up front and agreeing to fund the clean-up of water supplies. DuPont also agreed to fund an independent panel of researchers to examine the health effects of C8 exposure. Victims are able to seek damages for any diseases linked to this exposure, and DuPont will pay up to \$235 million to medically monitor nearby residents. (To date, the panel has linked C8 to at least six diseases, including pregnancy-induced hypertension, testicular and kidney cancers, and thyroid disease.)



In 2006, the U.S. Environmental Protection Agency (EPA) fined DuPont \$16.5 million dollars for failing to notify the agency about health and environmental risks associated with C8 – the largest civil penalty EPA has obtained to date.

That same year, bowing to agency and public pressure, DuPont announced it would “voluntarily” phase-out production of C8 by 2015.

### **Ten Years Later, Are We Any Safer?**

While DuPont and [other companies producing C8](#) are phasing out production this year, they are replacing C8 with other compounds from the same chemical family. And these alternatives also tend to accumulate in our bodies and in the environment. Many are untested and may be [as harmful as C8](#).

### **Virtually everyone in the U.S. has detectable levels of PFCs in their bodies.**

Exposure is not limited to pollution from manufacturing plants; we come into contact with PFCs through [everyday products](#). Most exposure comes from carpeting and carpet cleaning products. Waterproof clothing and food packaging (like microwave popcorn bags) also contain significant levels of PFCs. Nonstick cookware (like pans coated with Teflon) can expose consumers to PFCs, though at comparably smaller amounts than other products.

Over 200 scientists from across the world signed the [Madrid Statement](#), warning of the dangers of PFCs and urging governments and manufacturers to severely limit their use.

### **In the meantime, DuPont continues to produce harmful PFCs – while fighting to evade its liabilities to victims.**

The 2005 settlement requires DuPont to fund clean-ups of public water supplies with more than 0.05 parts per billion of C8 (equal to a drop of water in 20 Olympic-sized swimming pools). EWG reports that one community’s water supply originally tested at a slightly lower amount. Although it later tested above the threshold, DuPont refused to fund the clean-up. A court ruled in DuPont’s favor.

DuPont may have an even slyer move planned: in July of this year, the company will [spin off](#) the unit that created C8 and now creates its replacement chemicals. “Chemours” will assume all of DuPont’s C8 liabilities. Chemours could sink under these liabilities (the original unit’s sales are in decline) and go bankrupt. This could potentially deplete clean-up funds, medical monitoring, and future damage payments made to victims of C8 exposure. EWG notes that other companies have made similar moves to avoid liabilities.

### **DuPont must be held accountable for the health of the people it poisoned for decades.**

DuPont is a very profitable company. It can afford to pay the terms of the 2005 settlement and provide clean-up funds for all affected communities. The company should not be allowed to shed its liabilities to its planned spinoff. It is unacceptable that DuPont and other chemical companies knowingly continue to market products with chemicals that their own research shows are severely harmful to workers and consumers.

**DuPont's cover-up of C8 risks, and its continued use of other PFCs, demonstrates that companies cannot be allowed to self-regulate.**

Unfortunately, our federal government does a poor job of keeping toxins out of our products. The 1976 Toxic Substances Control Act gives EPA the authority to regulate the over 84,000 chemicals registered for commercial use. But in almost 40 years, EPA has tested only about 250 chemicals and restricted the use of only nine – largely because of extreme industry opposition when EPA tries to regulate chemicals.

Congress is working to reform the Toxic Substances Control Act. But [current bills](#) offer only moderate process improvements and will prevent states from taking actions to protect their residents against toxic chemicals.

If you want chemical safety laws that will improve EPA's ability to identify harmful chemicals and remove them from the market, sign our [action alert](#). Urge your senators to oppose reform that caters to the chemical industry.

You can learn more about C8 contamination from [Keep Your Promises](#), an advocacy organization based in the communities affected by DuPont's poisonous chemicals.

## **Proposal Would Block Inverted Companies from Receiving Government Contracts**

**by Jessica Schieder**

Corporations that have reclassified themselves as "foreign-owned" received approximately \$1 billion in federal contracts over the last five years. These companies profit from American tax dollars despite avoiding U.S. taxes themselves.

That could soon change. Two members of Congress have reintroduced [legislation](#) that would block these companies from winning lucrative government contracts.

**Inversions by federal contractors are particularly egregious because many of the companies continue to operate in the United States and benefit from taxpayer-funded public goods.**

Rep. Rosa DeLauro (D-CT), lead sponsor of an inversion reform bill, said in a recent [press release](#):

These companies take advantage of our education system, our research and development incentives, our skilled workforce, and our infrastructure, all supported by U.S. taxpayers, to build their businesses. But when the tax bill comes due, they hide overseas. Yet suddenly, when federal contracts are being applied for, they are all as American as Uncle Sam once again. This has to stop.

Inversions allow corporations to lower their tax bills by merging with a foreign company and then adopting the foreign company's corporate registration, often in low-tax jurisdictions. In many cases, these restructurings are much more significant on paper than they are in practice. For example, companies are often able to restructure without moving their headquarters. Aside from having to pay less in U.S. taxes on



their profits, inversions also allow corporations to escape unpaid (deferred) taxes on profits that they've been able to accumulate offshore over the course of many years.

American corporations that reincorporate offshore will cost the United States approximately [\\$20 billion](#) in lost tax revenue over the next decade. Bloomberg calculated that even as corporate tax rates have fallen, corporations reincorporating offshore have been able to lower their effective tax rates even further. Corporations that reincorporated abroad in recent years were able to reduce their effective tax rate by between [6.6 and 17.4 percentage more](#) than their competitors that remained incorporated in the United States. Despite the fact that the vast majority of these companies continue to operate in the U.S., they are able to avoid paying their fair share in taxes, leaving Main Street businesses and individuals to pick up the tab.

Companies with the most profits held offshore have arguably the highest incentives for restructuring as foreign corporations. The recent reincorporation of [Medtronic](#), the Minneapolis medical device maker, in Ireland is an example. Before reincorporating abroad, Medtronic was able to shift more than \$1 billion in profits offshore. When it reincorporated in Ireland, Medtronic was able to avoid paying deferred taxes on those profits. In recent years, the rate at which corporations are choosing to restructure abroad has increased significantly. Between 2004 and 2014, [47 corporations](#) underwent inversions, almost double the number that inverted in the previous 30 years. Well-known federal contractors – including Accenture, Tyco Electronics, Pricewaterhousecoopers Consulting, and Medtronic – are among the companies [that have reincorporated abroad](#).

On April 15, two members of Congress introduced identical bills to make inverted companies ineligible for federal contracts. DeLauro introduced the [No Federal Contracts for Corporate Deserters Act](#) (H.R. 1809), and Sen. Dick Durbin (D-IL) introduced the [American Business for American Companies Act of 2015](#) (S.975). The proposals echo legislation proposed last Congress by Sen. Carl Levin (D-MI), now retired, and Rep. Sander Levin (D-MI).

**Inverted corporations are technically barred from doing business with the federal government, but they continue to receive [more than \\$1 billion](#) in government contracts each year.**

This inconsistency appears to be largely the result of a lack of enforcement, as well as the ability of some companies to be grandfathered into contracts and take advantage of other loopholes. For example, Ingersoll-Rand, a manufacturing company that was based in New Jersey until 2001, has continued to receive federal contracts, despite having reincorporated in Bermuda in 2001 and Ireland in 2009.

The new legislation prohibits awarding contracts to inverted companies, as well as joint ventures in which more than ten percent of the venture is held by an inverted company. Additionally, contracts worth more than \$10 million (with the exception of contracts for exclusively commercial items) will be required to include language that limits subcontracting to inverted companies. If contracts violate these terms, they can be terminated. This would apply to all companies which have inverted since May 8, 2014.

The decision to move a corporation's registration offshore to avoid taxes is not without consequences for society. Businesses making these decisions should face consequences as well, starting with being cut off from profitable public contracts.



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