To amend the Federal Water Pollution Control Act to establish a Federal Water Pollution Control Administration, to provide grants for research and development, to increase grants for construction of sewage treatment works, to require establishment of water quality criteria, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) (1) section 1 of the Federal Water Pollution Control Act (33 U.S.C. 466) is amended by inserting after the words “SECTION 1.” a new subsection (a) as follows:

“(a) The purpose of this Act is to enhance the quality and value of our water resources and to establish a national policy for the prevention, control, and abatement of water pollution.”

(2) Such section is further amended by redesignating subsections (a) and (b) thereof as (b) and (c), respectively.

(3) Subsection (b) of such section shall be amended by striking out the last sentence thereof and inserting in lieu thereof the following: “The Secretary of Health, Education, and Welfare (hereinafter in this Act called ‘Secretary’) shall administer this Act through the Administration created by section 2 of this Act, and with the assistance of an Assistant Secretary of Health, Education, and Welfare designated by him, shall regulate and direct (1) the head of such Administration in administering this Act and (2) the administration of all other functions of the Department of Health, Education, and Welfare related to water pollution. Such Assistant Secretary shall perform such additional functions as the Secretary may prescribe.”

(b) There shall be in the Department of Health, Education, and Welfare, in addition to the Assistant Secretaries now provided for by law, one additional Assistant Secretary of Health, Education, and Welfare who shall be appointed by the President, by and with the advice and consent of the Senate. The provisions of section 2 of Reorganization Plan Numbered 1 of 1953 (67 Stat. 631) shall be applicable to such additional Assistant Secretary to the same extent as they are applicable to the Assistant Secretaries authorized by that section. Paragraph (17) of section 303(d) of the Federal Executive Salary Act of 1964 (78 Stat. 418) is amended by striking out “(5)” before the period at the end thereof and inserting in lieu thereof “(6)”.

SEC. 2. (a) Such Act is further amended by redesignating sections 2 through 4, and references thereto, as sections 3 through 5, respectively, sections 5 through 14, as sections 7 through 16, respectively, by inserting after section 1 the following new section:

“FEDERAL WATER POLLUTION CONTROL ADMINISTRATION

“SEC. 2. Effective ninety days after the date of enactment of this section there is created within the Department of Health, Education, and Welfare a Federal Water Pollution Control Administration (hereinafter in this Act referred to as the ‘Administration’). The head of the Administration shall be appointed, and his compensation fixed, by the Secretary. The head of the Administration may, in addition to regular staff of the Administration, which shall be initially provided from the personnel of the Department, obtain, from within the Department or otherwise as authorized by law, such professional, technical, and clerical assistance as may be necessary to discharge the Administration’s functions and may for that purpose use funds available for carrying out such functions; and he may delegate any of his
functions to, or otherwise authorize their performance by, any officer or employee of, or assigned or detailed to, the Administration."

(b) Subject to such requirements as the Civil Service Commission may prescribe, any commissioned officer of the Public Health Service who, on the day before the effective date of the establishment of the Federal Water Pollution Control Administration, was, as such officer, performing functions relating to the Federal Water Pollution Control Act may acquire competitive civil service status and be transferred to a classified position in the Administration if he so transfers within six months (or such further period as the Secretary of Health, Education, and Welfare may find necessary in individual cases) after such effective date. No commissioned officer of the Public Health Service may be transferred to the Administration under this section if he does not consent to such transfer. As used in this section, the term "transferring officer" means an officer transferred in accordance with this subsection.

(c) (1) The Secretary shall deposit in the Treasury of the United States to the credit of the civil service retirement and disability fund, on behalf of and to the credit of each transferring officer, an amount equal to that which such individual would be required to deposit in such fund to cover the years of service credited to him for purposes of his retirement as a commissioned officer of the Public Health Service to the date of his transfer as provided in subsection (b), but only to the extent that such service is otherwise creditable under the Civil Service Retirement Act. The amount so required to be deposited with respect to any transferring officer shall be computed on the basis of the sum of his basic pay, allowance for quarters, and allowance for subsistence and, in the case of a medical officer, his special pay, during the years of service so creditable, including all such years after June 30, 1960.

(2) The deposits which the Secretary of Health, Education, and Welfare is required to make under this subsection with respect to any transferring officer shall be made within two years after the date of his transfer as provided in subsection (b), and the amounts due under this subsection shall include interest computed from the period of service credited to the date of payment in accordance with section 4(e) of the Civil Service Retirement Act (5 U.S.C. 2254(e)).

(d) All past service of a transferring officer as a commissioned officer of the Public Health Service shall be considered as civilian service for all purposes under the Civil Service Retirement Act, effective as of the date any such transferring officer acquires civil service status as an employee of the Federal Water Pollution Control Administration; however, no transferring officer may become entitled to benefits under both the Civil Service Retirement Act and title II of the Social Security Act based on service as such a commissioned officer performed after 1956, but the individual (or his survivors) may irrevocably elect to waive benefit credit for the service under one Act to secure credit under the other.

(e) A transferring officer on whose behalf a deposit is required to be made by subsection (c) and who, after transfer to a classified position in the Federal Water Pollution Control Administration under subsection (b), is separated from Federal service or transfers to a position not covered by the Civil Service Retirement Act, shall not be entitled, nor shall his survivors be entitled, to a refund of any amount deposited on his behalf in accordance with this section. In the event he transfers, after transfer under subsection (b), to a position covered by another Government staff retirement system under which credit is allowable for service with respect to which a deposit is required under subsection (c), no credit shall be allowed under the Civil Service Retirement Act with respect to such service.
(f) Each transferring officer who prior to January 1, 1957, was
insured pursuant to the Federal Employees' Group Life Insurance Act
of 1954, and who subsequently waived such insurance, shall be entitled
to become insured under such Act upon his transfer to the Federal
Water Pollution Control Administration regardless of age and
insurability.

(g) Any commissioned officer of the Public Health Service who,
pursuant to subsection (b) of this section, is transferred to a position
in the Federal Water Pollution Control Administration which is sub-
ject to the Classification Act of 1949, as amended, shall receive a salary
rate of the General Schedule grade of such position which is nearest to
but not less than the sum of (1) basic pay, quarters and subsistence
allowances, and, in the case of a medical officer, special pay, to which
he was entitled as a commissioned officer of the Public Health Service
on the day immediately preceding his transfer, and (2) an amount
equal to the equalization factor (as defined in this subsection); but in
no event shall the rate so established exceed the maximum rate of such
grade. As used in this section, the term "equalization factor" means
an amount determined by the Secretary to be equal to the sum of
(A) 61\(\frac{1}{2}\) per centum of such basic pay and (B) the amount of Federal
income tax which the transferring officer, had he remained a commis-
sioned officer, would have been required to pay on such allowances for
quarters and subsistence for the taxable year then current if they had
not been tax free.

(h) A transferring officer who has had one or more years of com-
missioned service in the Public Health Service immediately prior to
his transfer under subsection (b) shall, on the date of such transfer,
be credited with thirteen days of sick leave.

(i) Notwithstanding the provisions of any other law, any commis-
sioned officer of the United States Public Health Service with twenty-
five or more years of service who has held the temporary rank of Assist-
ant Surgeon General in the Division of Water Supply and Pollution
Control of the United States Public Health Service for three or more
years and whose position and duties are affected by this Act, may,
with the approval of the President, voluntarily retire from the United
States Public Health Service with the same retirement benefits that
would accrue to him if he had held the rank of Assistant Surgeon
General for a period of four years or more if he so retires within
ninety days of the date of the establishment of the Federal Water
Pollution Control Administration.

(j) Nothing contained in this section shall be construed to restrict
or in any way limit the head of the Federal Water Pollution Control
Administration in matters of organization or in otherwise carry-
ning out his duties under section 2 of this Act as he deems appropriate
to the discharge of the functions of such Administration.

(k) The Surgeon General shall be consulted by the head of the
Administration on the public health aspects relating to water pollu-
tion over which the head of such Administration has administrative
responsibility.

Sec. 3. Such Act is further amended by inserting after the section
redesignated as section 5 a new section as follows:

"GRANTS FOR RESEARCH AND DEVELOPMENT"

"Sec. 6. (a) The Secretary is authorized to make grants to any
State, municipality, or intermunicipal or interstate agency for the
purpose of assisting in the development of any project which will
demonstrate a new or improved method of controlling the discharge
into any waters of untreated or inadequately treated sewage or other
waste from sewers which carry storm water or both storm water and
sewage or other wastes, and for the purpose of reports, plans, and specifications in connection therewith. The Secretary is authorized to provide for the conduct of research and demonstrations relating to new or improved methods of controlling the discharge into any waters of untreated or inadequately treated sewage or other waste from sewers which carry storm water or both storm water and sewage or other wastes, by contract with public or private agencies and institutions and with individuals without regard to sections 3648 and 3709 of the Revised Statutes, except that not to exceed 25 per centum of the total amount appropriated under authority of this section for any fiscal year may be expended under authority of this sentence during such fiscal year.

"(b) Federal grants under this section shall be subject to the following limitations: (1) No grant shall be made for any project pursuant to this section unless such project shall have been approved by an appropriate State water pollution control agency or agencies and by the Secretary; (2) no grant shall be made for any project in an amount exceeding 50 per centum of the estimated reasonable cost thereof as determined by the Secretary; (3) no grant shall be made for any project under this section unless the Secretary determines that such project will serve as a useful demonstration of a new or improved method of controlling the discharge into any water of untreated or inadequately treated sewage or other waste from sewers which carry storm water or both storm water and sewage or other wastes.

"(c) There are hereby authorized to be appropriated for the fiscal year ending June 30, 1966, and for each of the next three succeeding fiscal years, the sum of $20,000,000 per fiscal year for the purposes of this section. Sums so appropriated shall remain available until expended. No grant or contract shall be made for any project in an amount exceeding 5 per centum of the total amount authorized by this section in any one fiscal year."

Sec. 4. (a) Clause (2) of subsection (b) of the section of the Federal Water Pollution Control Act herein redesignated as section 8 is amended by striking out "$600,000," and inserting in lieu thereof "$1,200,000."

(b) The second proviso in clause (2) of subsection (b) of such redesignated section 8 is amended by striking out "$2,400,000," and inserting in lieu thereof "$4,800,000."

(c) Subsection (b) of such redesignated section 8 is amended by adding at the end thereof the following: "The limitations of $1,200,000 and $4,800,000 imposed by clause (2) of this subsection shall not apply in the case of grants made under this section from funds allocated under the third sentence of subsection (c) of this section if the State agrees to match equally all Federal grants made from such allocation for projects in such State."

(d) (1) The second sentence of subsection (c) of such redesignated section 8 is amended by striking out "for any fiscal year" and inserting in lieu thereof "for each fiscal year ending on or before June 30, 1965, and the first $100,000,000 appropriated pursuant to subsection (d) for each fiscal year beginning on or after July 1, 1965."

(2) Subsection (c) of such redesignated section 8 is amended by inserting immediately after the period at the end of the second sentence thereof the following: "All sums in excess of $100,000,000 appropriated pursuant to subsection (d) for each fiscal year beginning on or after July 1, 1965, shall be allotted by the Secretary from time to time, in accordance with regulations, in the ratio that the population of each State bears to the population of all States."
(3) The third sentence of subsection (c) of such redesignated section 8 is amended by striking out "the preceding sentence" and inserting in lieu thereof "the two preceding sentences".

(4) The next to the last sentence of subsection (c) of such redesignated section 8 is amended by striking out "and third" and inserting in lieu thereof "third, and fourth".

(e) The last sentence of subsection (d) of such redesignated section 8 is amended to read as follows: "Sums so appropriated shall remain available until expended. At least 50 per centum of the funds so appropriated for each fiscal year ending on or before June 30, 1965, and at least 50 per centum of the first $100,000,000 so appropriated for each fiscal year beginning on or after July 1, 1965, shall be used for grants for the construction of treatment works servicing municipalities of one hundred and twenty-five thousand population or under."

(f) Subsection (d) of such redesignated section 8 is amended by striking out "$100,000,000 for the fiscal year ending June 30, 1966, and $100,000,000 for the fiscal year ending June 30, 1967." and inserting in lieu thereof "$150,000,000 for the fiscal year ending June 30, 1966, and $150,000,000 for the fiscal year ending June 30, 1967."

(g) Subsection (f) of such redesignated section 8 is redesignated as subsection (g) thereof and is amended by adding at the end thereof the following new sentence: "The Secretary of Labor shall have, with respect to the labor standards specified in this subsection, the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176; 64 Stat. 1267; 5 U.S.C. 133z—15) and section 2 of the Act of June 13, 1934, as amended (48 Stat. 948; 40 U.S.C. 276c)."

(h) Such redesignated section 8 is further amended by inserting therein, immediately after subsection (e) thereof, the following new subsection:

"(f) Notwithstanding any other provisions of this section, the Secretary may increase the amount of a grant made under subsection (b) of this section by an additional 10 per centum of the amount of such grant for any project which has been certified to him by an official State, metropolitan, or regional planning agency empowered under State or local laws or interstate compact to perform metropolitan or regional planning for a metropolitan area within which the assistance is to be used, or other agency or instrumentality designated for such purposes by the Governor (or Governors in the case of interstate planning) as being in conformity with the comprehensive plan developed or in process of development for such metropolitan area. For the purposes of this subsection, the term 'metropolitan area' means either (1) a standard metropolitan statistical area as defined by the Bureau of the Budget, except as may be determined by the President as not being appropriate for the purposes hereof, or (2) any urban area, including those surrounding areas that form an economic and socially related region, taking into consideration such factors as present and future population trends and patterns of urban growth, location of transportation facilities and systems, and distribution of industrial, commercial, residential, governmental, institutional, and other activities, which in the opinion of the President lends itself as being appropriate for the purposes hereof."

SEC. 5. (a) Redesignated section 10 of the Federal Water Pollution Control Act is amended by redesignating subsections (c) through (i) as subsections (d) through (j), and by inserting after subsection (b) the following new subsection:

"(c) (1) If the Governor of a State or a State water pollution control agency files, within one year after the date of enactment of this subsection, a letter of intent that such State, after public hearings, will before
June 30, 1967, adopt (A) water quality criteria applicable to interstate waters or portions thereof within such State, and (B) a plan for the implementation and enforcement of the water quality criteria adopted, and if such criteria and plan are established in accordance with the letter of intent, and if the Secretary determines that such State criteria and plan are consistent with paragraph (3) of this subsection, such State criteria and plan shall thereafter be the water quality standards applicable to such interstate waters or portions thereof.

"(2) If a State does not (A) file a letter of intent or (B) establish water quality standards in accordance with paragraph (1) of this subsection, or if the Secretary or the Governor of any State affected by water quality standards established pursuant to this subsection desires a revision in such standards, the Secretary may, after reasonable notice and a conference of representatives of appropriate Federal departments and agencies, interstate agencies, States, municipalities and industries involved, prepare regulations setting forth standards of water quality to be applicable to interstate waters or portions thereof. If, within six months from the date the Secretary publishes such regulations, the State has not adopted water quality standards found by the Secretary to be consistent with paragraph (3) of this subsection, or a petition for public hearing has not been filed under paragraph (4) of this subsection, the Secretary shall promulgate such standards.

"(3) Standards of quality established pursuant to this subsection shall be such as to protect the public health or welfare, enhance the quality of water and serve the purposes of this Act. In establishing such standards the Secretary, the Hearing Board, or the appropriate State authority shall take into consideration their use and value for public water supplies, propagation of fish and wildlife, recreational purposes, and agricultural, industrial, and other legitimate uses.

"(4) If at any time prior to 30 days after standards have been promulgated under paragraph (2) of this subsection, the Governor of any State affected by such standards petitions the Secretary for a hearing, the Secretary shall call a public hearing, to be held in or near one or more of the places where the water quality standards will take effect, before a Hearing Board of five or more persons appointed by the Secretary. Each State which would be affected by such standards shall be given an opportunity to select one member of the Hearing Board. The Department of Commerce and other affected Federal departments and agencies shall be given an opportunity to select a member of the Hearing Board and not less than a majority of the Hearing Board shall be persons other than officers or employees of the Department of Health, Education, and Welfare. The members of the Board who are not officers or employees of the United States, while participating in the hearing conducted by such Hearing Board or otherwise engaged on the work of such Hearing Board, shall be entitled to receive compensation at a rate fixed by the Secretary, but not exceeding $100 per diem, including travel time, and while away from their homes or regular places of business they may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by law, (5 U.S.C. 7316–2) for persons in the Government service employed intermittently. Notice of such hearing shall be published in the Federal Register and given to the State water pollution control agencies, interstate agencies and municipalities involved at least 30 days prior to the date of such hearing. On the basis of the evidence presented at such hearing, the Hearing Board shall make findings as to whether the standards published or promulgated by the Secretary should be approved or modified and transmit its findings to the Secretary. If the Hearing Board approves the standards as published or promul-
gated by the Secretary, the standards shall take effect on receipt by the Secretary of the Hearing Board's recommendations. If the Hearing Board recommends modifications in the standards as published or promulgated by the Secretary, the Secretary shall promulgate revised regulations setting forth standards of water quality in accordance with the Hearing Board's recommendations which will become effective immediately upon promulgation.

"(5) The discharge of matter into such interstate waters or portions thereof, which reduces the quality of such waters below the water quality standards established under this subsection (whether the matter causing or contributing to such reduction is discharged directly into such waters or reaches such waters after discharge into tributaries of such waters), is subject to abatement in accordance with the provisions of paragraph (1) or (2) of subsection (g) of this section, except that at least 180 days before any abatement action is initiated under either paragraph (1) or (2) of subsection (g) as authorized by this subsection, the Secretary shall notify the violators and other interested parties of the violation of such standards. In any suit brought under the provisions of this subsection the court shall receive in evidence a transcript of the proceedings of the conference and hearing provided for in this subsection, together with the recommendations of the conference and Hearing Board and the recommendations and standards promulgated by the Secretary, and such additional evidence, including that relating to the alleged violation of the standards, as it deems necessary to a complete review of the standards and to a determination of all other issues relating to the alleged violation. The court, giving due consideration to the practicability and to the physical and economic feasibility of complying with such standards, shall have jurisdiction to enter such judgment and orders enforcing such judgment as the public interest and the equities of the case may require.

"(6) Nothing in this subsection shall (A) prevent the application of this section to any case to which subsection (a) of this section would otherwise be applicable, or (B) extend Federal jurisdiction over water not otherwise authorized by this Act.

"(7) In connection with any hearings under this section no witness or any other person shall be required to divulge trade secrets or secret processes."

(b) Paragraph (1) of subsection (d) of the section of the Federal Water Pollution Control Act herein redesignated as section 10 is amended by striking out the final period after the third sentence of such subsection and inserting the following in lieu thereof: "; or he finds that substantial economic injury results from the inability to market shellfish or shellfish products in interstate commerce because of pollution referred to in subsection (a) and action of Federal, State, or local authorities."

SEC. 6. The section of the Federal Water Pollution Control Act hereinbefore redesignated as section 12 is amended by adding at the end thereof the following new subsections:

"(d) Each recipient of assistance under this Act shall keep such records as the Secretary shall prescribe, including records which fully disclose the amount and disposition by such recipient of the proceeds of such assistance, the total cost of the project or undertaking in connection with which such assistance is given or used, and the amount of that portion of the cost of the project or undertaking supplied by other sources, and such other records as will facilitate an effective audit.

"(e) The Secretary of Health, Education, and Welfare and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access for the purpose of audit and
examination to any books, documents, papers, and records of the recipients that are pertinent to the grants received under this Act."

Sec. 7. (a) Section 7 (f) (6) of the Federal Water Pollution Control Act, as that section is redesignated by this Act, is amended by striking out "section 6 (b) (4)." as contained therein and inserting in lieu thereof "section 8 (b) (4).".

(b) Section 8 of the Federal Water Pollution Control Act, as that section is redesignated by this Act, is amended by striking out "section 5" as contained therein and inserting in lieu thereof "section 7".

(c) Section 10 (b) of the Federal Water Pollution Control Act, as that section is redesignated by this Act, is amended by striking out "subsection (g)" and inserting in lieu thereof "subsection (h)".

(d) Section 10 (i) of the Federal Water Pollution Control Act, as that section is redesignated by this Act, is amended by striking out "subsection (e)" and inserting in lieu thereof "subsection (f)".

(e) Section 11 of the Federal Water Pollution Control Act, as that section is redesignated by this Act, is amended by striking out "section 8 (c) (3)" and inserting in lieu thereof "section 10 (d) (3)" and by striking out "section 8 (e)" and inserting in lieu thereof "section 10 (f)".

Short title.

Sec. 8. This Act may be cited as the "Water Quality Act of 1965". Approved October 2, 1965.

Public Law 89-235

JOINT RESOLUTION

Authorizing and requesting the President to extend through 1966 his proclamation of a period to "See the United States", and for other purposes.

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is authorized and requested (1) to extend through 1966 the period designated pursuant to the joint resolution approved August 11, 1964 (Public Law 88-416), as a period to see the United States and its territories; (2) to encourage private industry and interested private organizations to continue their efforts to attract greater numbers of the American people to the scenic, historical, and recreational areas and facilities of the United States of America, its territories and possessions, and the Commonwealth of Puerto Rico; and (3) to issue a proclamation specially inviting citizens of other countries to visit the festivals, fairs, pageants, and other ceremonials to be celebrated in 1966 in the United States of America, its territories and possessions, and the Commonwealth of Puerto Rico.

Sec. 2. The President is authorized to publicize any proclamations issued pursuant to the first section and otherwise to encourage and promote vacation travel within the United States of America, its territories and possessions, and the Commonwealth of Puerto Rico, both by American citizens and by citizens of other countries, through such departments or agencies of the Federal Government as he deems appropriate, in cooperation with State and local agencies and private organizations.

Sec. 3. For the purpose of the extension provided for by this joint resolution, the President is authorized during the period of such extension to exercise the authority conferred by section 8 of the joint resolution approved August 11, 1964 (Public Law 88-416), and for such purpose may extend for such period the appointment of any person serving as National Chairman pursuant to such section.

Approved October 2, 1965.