

**TESTIMONY OF
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BEFORE THE

**SUBCOMMITTEE ON INTERIOR, ENVIRONMENT, AND RELATED AGENCIES
U.S. SENATE COMMITTEE ON APPROPRIATIONS**

June 27, 2017

Good morning, Chairman Murkowski, Ranking Member Udall, and members of the Subcommittee. I am joined by Holly Greaves, my senior advisor for budget and audit, and we are here today to discuss the Environmental Protection Agency's (EPA) proposed FY 2018 budget.

As the Administrator of the Environmental Protection Agency, I am a firm believer in EPA's mission to protect human health and the environment and am committed to helping provide future generations with a better and healthier environment. I also firmly believe that federal agencies exist to administer the law. Congress passes statutes, and those statutes outline the responsibilities and work that EPA must do. Any action by EPA that exceeds the authority granted to it by Congress, by definition, cannot be consistent with the Agency's mission.

At the outset, it is important to recognize the tremendous progress that has been made over the years toward a cleaner environment across the country. The proposed budget supports EPA's highest priorities with federal funding for core work in air and water quality, contaminated land clean-ups, enforcement and ensuring the safety of chemicals in the marketplace so we can continue this progress. The president's budget aims to reduce redundancies and inefficiencies, and prioritize EPA's core statutory mission of providing Americans with clean air, land, and water.

EPA can accomplish a lot when the Agency focuses on working cooperatively with the states and tribes to improve health and the environment. It is essential for the federal government, state governments, and tribal governments to work together to provide the environmental protection that our laws demand and that the American people deserve. I strongly support cooperative federalism, and make every effort to partner with EPA's counterparts in state, local, and tribal governments to further these goals.

I recognize that states have unique environmental needs, and I will continue to engage in meaningful discussions about how shared environmental goals related to the regions can best be achieved. We will work collaboratively with states, tribes and local governments to provide flexibility to address important priorities. And, I look forward to working with you all, and other Members of Congress, to ensure we meet the environmental needs of your communities.

In my testimony today, I will focus on five main areas where EPA is protecting human health and the environment: air, water, land, chemicals and enforcement. I will also outline how EPA is reducing inefficiencies and redundancies, to better serve the American people and maximize every taxpayer dollar we are allocated.

Improving America's Air Quality

By funding air quality work at \$448 million, EPA will continue to perform key activities in support of protecting human health and the environment through improving the quality of the nation's air with a focus on states achieving greater levels of attainment.

States have made tremendous progress and significant investment in cleaning up the air. Since 1980, total emissions of the six criteria air pollutants regulated under the National Ambient Air Quality Standards program have dropped by 63 percent and ozone levels have declined 33 percent. We are focused on finding ways to get more accurate measurements of the areas of the country that need help improving their air quality – and then working with states on meeting the standards set by the Agency.

Areas designated as being in “nonattainment” of the standard face consequences, including: increased regulatory burdens, restrictions on infrastructure investment, and increased costs to businesses.

EPA is working with states to give them additional time on their initial designations of nonattainment areas for the 2015 ozone standard to better understand some lingering technical questions and information needs. The agency also is looking at ways to provide greater flexibility in the development of their air quality improvement plans. And, I am establishing an Ozone Cooperative Compliance Task Force to develop additional flexibilities for states to comply with the ozone standard.

My staff and I inherited an unacceptable backlog of air quality implementation plans from the previous administration. The backlog of these State Implementation Plans (SIPs) creates vast uncertainty for states and compromises air quality benefits that otherwise could be attained. I am committed to reducing the SIP backlog and have directed my staff to work with the states to reduce this backlog as quickly as possible.

The proposed budget also provides funding for the Greenhouse Gas Reporting Program which requires mandatory greenhouse gas emissions reporting to inform the annual GHG inventory, a U.S. treaty obligation. Additionally, in FY 2018, the Federal Vehicle and Fuels Standards and Certification program will focus its efforts on certification decisions. The agency will conduct activities supporting pre-certification confirmatory testing for emissions and fuel economy for passenger cars.

When it comes to people living and working in areas that meet air quality standards, we are committed to working with states to do better than what was happening under the previous administration.

Restoring the Role of States in the Regulation of Water

The president has made it clear that maintaining infrastructure is critical to the foundation of this country's commerce. At EPA, this means in large part ensuring we continue to make investments in drinking water and wastewater infrastructure.

The FY 2018 budget includes \$2.3 billion to capitalize the State Revolving Funds to assist our implementing partners in revitalizing and rebuilding our nation's aging water resources. The FY 2018 budget also includes \$20 million for the Water Infrastructure Finance and Innovation Act (WIFIA) program to address aging water infrastructure. The \$20 million provided for WIFIA could provide up to \$1 billion in credit assistance, which, when combined with other funding resources, could spur an estimated \$2 billion in total infrastructure investment.

Established by the Water Infrastructure Finance and Innovation Act of 2014, EPA's WIFIA program is a federal loan and guarantee program that aims to accelerate investment in our nation's drinking water and wastewater infrastructure by providing long-term, low-cost supplemental credit assistance for eligible projects, including those of regional or national significance. WIFIA supports projects to repair, rehabilitate, and replace aging water treatment plants and pipe systems, and construct new infrastructure including desalination, water recycling, and drought mitigation projects.

Organizations from across the country are seeking to partner with EPA to invest in their local communities and improve water infrastructure with WIFIA, with 'letters of interest' from prospective buyers across 19 states, including: Arkansas, Arizona, California, Colorado, Florida, Georgia, Illinois, Indiana, Kansas, Maine, Maryland, Massachusetts, Mississippi, Missouri, Nebraska, Pennsylvania, Tennessee, Washington, and Wisconsin.

EPA will continue to partner with states, drinking water utilities, and other stakeholders to identify and address current and potential sources of drinking water contamination, particularly in areas of significant regional and national importance. These efforts are integral to infrastructure efforts because source water protection can reduce the need for additional drinking water treatment and avoids the associated costs.

To assure the American people that their water is safe to drink, the EPA's drinking water regulatory program monitors for a broad array of contaminants, evaluates whether contaminants are of public health concern, and regulates contaminants when there is a meaningful opportunity for health risk reduction for persons served by public water systems. In addition, the EPA will work to reduce lead risks through revisions to the Lead and Copper Rule (LCR), and regulations to implement the Water Infrastructure Improvement for the Nation Act and the Reduction of Lead in Drinking Water Act.

EPA will continue to provide scientific water quality criteria information to our partners and the public, review and approve state water quality standards, and review and approve state lists of impaired waters. In FY 2018, the agency will work with states and other partners on Total Maximum Daily Loads (TMDLs) as required by the Clean Water Act, as well as on other waterbody restoration plans for listed impaired waterbodies. EPA also will continue to

implement and support core water quality programs that control point-source discharges through permitting and pre-treatment programs.

Like President Trump, I believe that we need to work with our state governments to understand what they think is the best way to protect their waters, and what actions they are already taking to do so. EPA should only intervene when states demonstrate an unwillingness to comply with the law or to do their job, with regard to keeping water clean and safe for families, businesses, and the public at large.

The Clean Water Act asserts federal control over “navigable waters” without providing clarity or details about the law’s scope. President Trump signed an executive order on February 28, 2017 to directing the EPA and the Corps of Engineers to review the Obama Administration’s Clean Water Rule – also known as the “Waters of the U.S.” or WOTUS – and propose to rescind or revise the rule as appropriate and consistent with the law and to ensure that we are meeting the original goals and policies of the Clean Water Act, as Congress has established.

To meet the objectives of the executive order, the EPA and the Office of the Assistant Secretary of the Army for Civil Works have already begun soliciting input from states, tribes, and other stakeholders and are following a two-step process that will provide as much certainty as possible, as quickly as possible, to the regulated community and the public during this process.

Cleaning up Contaminated Land to Revitalize Communities

In an effort to restore the cleanup of contaminated lands to its rightful place at the center of the EPA’s core mission, I am prioritizing Superfund cleanups. EPA’s Superfund program is responsible for the cleanup of some of the nation’s most contaminated areas. One of my first actions as Administrator was to visit the community of East Chicago, Indiana, a Superfund site where residents have been dealing for decades with lead contamination from a former smelter. We’ve installed a new ombudsman office in the community to make sure residents are kept informed, we have worked with the state and local officials on providing clean drinking water, and we have worked with some of the responsible parties to secure more money to clean up additional homes.

During my confirmation process and in my time as Administrator, I have heard from families and community members, elected officials, and business leaders that the cleanup of contaminated sites takes too long. I have already taken a number of steps to elevate these issues within the Agency and to make sure that we are doing all we can to ensure cleanups are occurring without delay, sites are being put back to productive use wherever possible, and families and nearby residents know that their communities are safe. I have changed the approval process for sites with remedies estimated to cost \$50 million or more to ensure they get the appropriate level of attention from myself and my senior staff. I have also established a Superfund task force to provide me with recommendations on how EPA can streamline and improve the Superfund program.

In addition to the Superfund program, the Brownfields grants programs will safely clean-up and restore to enable the redevelopment of contaminated land under my leadership at EPA. These

programs not only return land to productive use but also help spur economic development and job creation. Brownfields grants have a community driven approach, with over 67,000 acres of idle land made ready for productive use and over 124,300 jobs and \$23.6 billion leveraged.

Land cleanup and restoration efforts will continue at a funding level of \$992 million in FY 2018. When it comes to cleaning up these sites, I believe that with better leadership, and reducing inefficiencies and administrative costs, we can take steps to accelerate the pace of the clean-ups.

Ensuring the Safety of Chemicals in Commerce

Ensuring the safety of chemicals used in commerce is a priority. Resources are needed to support efforts to minimize American exposure to pesticides, help maintain a healthy food supply and address public health concerns.

The EPA's toxics program will maintain its 'zero tolerance' goal for preventing the introduction of unsafe new chemicals into commerce. In FY 2018, \$65 million is requested for the Toxic Substances Control Act (TSCA) Chemical Risk Review and Reduction Program to support the agency's significant continuing and new responsibilities for ensuring that chemicals in commerce do not present unreasonable risks to human health or the environment. New chemicals will be evaluated and decisions will be based on the best available science and the weight of evidence.

EPA reviews about 1,000 new chemicals per year, and must complete the review of each submission within a specified timeframe, resulting in about 300 chemicals under review at any given time. By January 2017, the number under review had grown to about 600.

Under my leadership, we have split by half the backlog of new chemical submissions being reviewed under TSCA, with plans to fully eliminate the backlog by the end of July. The agency is also increasing transparency for the public and the regulated community about these chemicals.

We are working with companies to gather all the relevant information early in the process, to inform safety reviews for new chemicals. Reviewing new chemicals quickly will enable those deemed safe to enter the marketplace to support jobs and our economy.

The reduction in the backlog is the result of prioritizing and implementing process efficiencies. EPA will continue to work with all stakeholders to identify additional changes to improve the quality, efficiency and transparency of the new chemical review program.

For chemicals in commerce, EPA will maintain an ambitious schedule for initiating and completing chemical risk evaluations and, where risks are identified, for initiating and completing regulatory actions to address those risks. EPA also will implement the new mandates related to determinations on claims for confidentiality for chemical identities.

In FY 2018, the agency will continue implementing TSCA activities not amended by the Frank R. Lautenberg Chemical Safety for the 21st Century Act. The agency also will provide firm and individual certifications for safe work practices for lead-based paint abatement and renovation and repair efforts, as well as provide for the operation and maintenance of the online Federal Lead-Based Paint program database (FLPP) that supports the processing of applications for training providers, firms and individuals.

Identifying, assessing, and reducing the risks presented by the pesticides on which our society and economy rely is integral to ensuring environmental and human safety. Chemical and biological pesticides help meet national and global demands for food. They provide effective pest control for homes, schools, gardens, highways, utility lines, hospitals, and drinking water treatment facilities, while also controlling vectors of disease. The program ensures that the pesticides available in the U.S. are safe when used as directed. In addition, the program is increasing the focus on pollinator health, working with other federal partners, states, and private stakeholder groups to stem pollinator declines and increase pollinator habitat.

In FY 2018, EPA will invest resources to improve the compliance of pesticide registrations with the Endangered Species Act. A portion of the funding also will ensure that pesticides are correctly registered and applied in a manner that protects water quality.

Punishing Bad Actors

EPA will remain focused on punishing bad actors. That means enforcing civil and criminal cases in areas that address substantial impacts to human health and the environment. EPA's enforcement efforts have produced billions of dollars in cleanup commitments from violators and billions of pounds of pollution prevented and cleaned up as a result of those commitments to date.

As states are the primary implementers of many enforcement action programs, we will focus agency resources on non-delegated programs. We will rely on our state partners to achieve compliance and enforcement goals, and we will focus resources on our direct implementation responsibilities and oversight, emphasizing violations with public health and environmental impacts.

Streamlining

As careful stewards of taxpayer resources, we will look to attack waste by examining our programs that are unnecessary, redundant, or those that have served their purpose and accomplished their mission or are outside EPA's statutory mandates. The FY 2018 budget identifies and eliminates programs so that EPA can focus on its statutory mission, achieving greater value and greater results.

In FY 2018, these efforts include streamlining permitting processes and National Environmental Policy Act (NEPA) infrastructure project reviews along with the focused effort on improving Superfund processes. We will build on business process improvements by partnering with states, tribes, and local governments to expand and support approaches across all our programs.

To help achieve its mission, EPA will develop, review and analyze program requirements and implement options to effectively align and redistribute the agency's workforce based on priorities and technological advances. The result of these analyses is expected to create a need to reshape the workforce and maintain the current hiring freeze. The agency will also offer voluntary early out retirement pay (VERA) and voluntary separation incentive pay (VSIP) in FY 2018 to achieve effective reshaping.

This budget does not include plans to close regional offices, but we will continue to prioritize efforts that save taxpayer dollars through space consolidation and essential renovations to reduce and optimize our physical footprint.

The budget request also significantly reduces or eliminates funding for mature programs that no longer need a federal presence or can be implemented by others. We will work with states and tribes to target resources to core statutory work and provide flexibility to address particular priorities and concerns. The FY 2018 President's Budget identifies and eliminates programs, to save taxpayers \$1.03 billion relative to our FY 2017 Enacted budget.

We are committed to performing the work that is necessary to meet our mission of protecting public health and the environment. With support from our state and local partners – and by working with each of you, and your colleagues in Congress, we can make a real difference to communities across America.

I look forward to answering your questions.