



Chairman Ken Calvert

*Subcommittee on Interior, Environment, and Related Agencies
House Committee on Appropriations*

Fiscal Year 2017 Budget Hearing: Environmental Protection Agency

March 22, 2016

Opening Statement as Prepared

Good morning. Today we are joined by Administrator Gina McCarthy and Acting Chief Financial Officer, David Bloom, to discuss EPA's proposed fiscal year 2017 budget. Welcome to both of you.

Last year, the budget the President proposed ignored the spending caps that were then in place. As a result, it offered unrealistic expectations and created challenges for agencies and departments to identify true needs. We start the discussion for the fiscal year 2017 budget on no better footing, with a budget that seemingly abides by the bipartisan spending caps set in October, but full of gimmicks.

Unfortunately, the President's budget has shifted billions of dollars from discretionary programs to the mandatory side of the ledger. This allows the Administration to circumvent the budget constraints while touting support for key investments. It again offers unrealistic expectations about what the country can afford.

On the Interior Subcommittee, we must balance a wealth of important issues: Indian health care and education, fighting wildfires, management of lands and resources, and protection of human health and the environment. Whether challenges arise from natural disasters, man-made disasters, health crises, or our rising debt, we need to be strategic and have well-defined plans for tackling the problems before us. Simply throwing money at problems has rarely resolved such issues.

It is our job to identify common sense, long-term solutions and to prioritize all of these issues without adding to our \$19 trillion dollar debt. Mandatory spending continues to rise faster than any portion of the Federal budget. Therefore a budget that proposes more mandatory spending is woefully out of touch.

In an effort to rebalance expectations, I'd like to explain where we actually are. Under the current budget agreement, non-defense discretionary spending for fiscal year 2017 has only increased by \$40 million, government-wide. Meanwhile, EPA's proposed budget requests \$127 million more than last year. That number excludes another \$300 million proposed outside of the discretionary caps.

Within the budget, the Agency is proposing to work on more regulations, while proposing cuts for water infrastructure and Great Lakes funding. The budget proposes more funding to implement regulations the courts have put on hold. Meanwhile, the budget again proposes deep cuts to the diesel emission reduction grants despite the fact that only 30 percent of trucks and other heavy-duty vehicles have transitioned to cleaner technologies. We need to follow the science and increase discretionary funding for the DERA program to accelerate the replacement of older engines with newer, cleaner engines.

With so much left to do we're not prepared to cut discretionary funding for the DERA program by 80%, nor eliminate funding for radon grants when 21,000 lung cancer deaths per year are directly attributable to exposure to radon. I hope during today's discussion you can help this Committee understand why the Administration does not place a higher priority on the radon exposure issue given the startling statistics.

Turning to policy, it's unavoidably clear that the Administration is intent on making select forms of energy uneconomical—or even obsolete. We've seen this play out in Chairman Roger's district for the last seven years via a refusal to approve permits to operate.

The policy continues to spread as the Administration imposes a moratorium on operations on public lands; designates new monuments; precludes offshore energy development in the Atlantic and Arctic; and, adds costs to existing operations via EPA ozone, methane, and water regulations. And the White House – with one foot out the door -- has promised to double down on an anti-jobs agenda driven by the desire to “Keep it in the Ground” as the clock runs out on this Administration.

In the meantime statutory obligations are put on hold or given insufficient attention. It's time for a new perspective.

You have a tough job, Administrator McCarthy. We all want clean air and clean water and a strong robust economy. It's not a Republican or Democrat issue, and I know that's something we both have often said. We both want a healthy environment and job creation, and we need a real debate regarding the best way to incentivize those outcomes rather than a rewrite of regulations. But it starts by proposing and operating with a budget that lives within our means. The people I represent in California have to live on a budget that reflects what they can afford, and so, too, does the Federal government.

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