

**TESTIMONY OF
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BEFORE THE

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

April 26, 2018

Good morning, Chairman Calvert, Ranking Member McCollum, and members of the subcommittee. I am joined by Holly Greaves, EPA's Chief Financial Officer, and we are here today to discuss the Environmental Protection Agency's (EPA) proposed FY 2019 budget, which supports the goals and objectives in the *FY 2018-FY 2022 EPA Strategic Plan*.

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 I am committed to helping provide future generations with a cleaner and healthier environment. We made great progress in year one. I laid out my vision for EPA's continued progress in the *Agency's Strategic Plan*. Under this *Plan*, our first goal is to "Deliver real results to provide Americans with clean air, land, and water, and ensure chemical safety." This is the Agency's Core Mission, and this budget enables progress on the most important priorities of this mission. The second goal of the *Strategic Plan* is to "Rebalance the power between Washington and the states to create tangible environmental results for the American people." Through this Cooperative Federalism approach, we will enhance shared accountability with our partners and increase transparency. The third goal of the *Strategic Plan* is to "Administer the law, as Congress intended, to refocus the Agency on its statutory obligations under the law." By refocusing on the Rule of Law and Process, the Agency will enhance compliance with the law, create greater consistency and certainty for the regulated community, prioritize robust science, streamline and modernize the Agency, and improve efficiency and effectiveness. Through this vision of a more effective government that administers the law as Congress intends and cooperatively engages with our Nation's states and tribes, EPA will continue to make real progress in achieving its mission.

Over the past year as Administrator, I've witnessed firsthand the tremendous advances this Agency, and our partners, have made to address the Nation's environmental challenges and fulfill our mission. The proposed budget continues this progress by supporting EPA's highest priorities with federal funding for core work in air and water quality, contaminated land cleanups, ensuring the safety of chemicals in the marketplace, and compliance with the law. The President's Budget aims to create a more efficient and effective EPA by reducing redundancies and improving operations.

As Administrator of EPA my top priorities include: infrastructure improvements to our Nation's drinking water and wastewater systems; accelerating the remediation and revitalization of the most contaminated land in our communities; improving air quality through significant reductions in the number of areas not in attainment with the National Ambient Air Quality Standards (NAAQS); and meeting all the statutory deadlines outlined in the amended Toxic Substances Control Act (TSCA). In my testimony, I will highlight how the budget directly supports these top priorities.

I firmly believe that EPA can accomplish far more when the Agency focuses on working cooperatively with the states and tribes to improve public health and the environment. It is essential for the federal, state, territorial, and tribal governments to work together to provide the environmental protection that our laws demand and that the American people deserve. This budget supports cooperative federalism through activities such as the Multipurpose Grant program, which is included in this budget. This program will support the implementation of statutory obligations delegated by EPA under pertinent environmental laws and provide states, tribes, and territories with increased flexibility to apply the funds toward their highest priorities.

We will continue to work collaboratively with state, tribal, and local governments to provide flexibility to address important priorities. I personally 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 highlight how the budget advances the *Strategic Plan's* three goals: Core Mission, Cooperative Federalism, and Rule of Law and Process. I will focus on key objectives to improve air quality, provide for clean and safe water, revitalize land and prevent contamination, ensure the safety of chemicals in the marketplace, assure compliance with the law, and improve efficiency and effectiveness.

Improving America's Air Quality

By funding air quality work at \$410 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 and localities achieving greater levels of NAAQS attainment.

States have made tremendous progress and significant investment in improving air quality. Since 1970, total emissions of the six criteria air pollutants regulated under the NAAQS program have dropped by 73 percent, while gross domestic product grew by over 252 percent. Despite this progress, much work remains to increase attainment levels across the country. We are focused on working in partnership with state, tribal, and local governments to design and implement air quality standards and programs.

Areas designated as being in nonattainment of the standard face consequences, including increased regulatory burdens, restrictions on infrastructure investment, and increased costs to businesses. The Agency is looking to bring these areas into attainment by aggressively tackling the current backlog of State/Tribal Implementation Plans (SIP/TIP), more effectively mapping the SIP process, focusing on data integrity, and applying process improvements to EPA's own review process.

We are also seeking additional authority from Congress to fee-fund the ENERGY STAR program by establishing user fees for entities that participate in the program. ENERGY STAR has proven to be an effective partner in helping consumers and businesses save money and reduce energy use. On the mobile source side, 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.

Providing for Clean and Safe Water

The President has emphasized that maintaining and improving infrastructure is critical to the foundation of this country's economy and our global competitiveness. At EPA, this means, in large part, we will continue to make investments in drinking water and wastewater infrastructure, provide clear and actionable permitting decisions to the regulated community, and leverage federal investment with non-federal sources.

The FY 2019 budget includes \$2.3 billion to capitalize the State Revolving Funds (SRFs) to assist our implementing partners in revitalizing and rebuilding our Nation's aging water resources. The budget funds the SRFs equivalent to the FY 2017 enacted level in recognition of the essential role they play in renewing and replacing infrastructure in communities all across the country. The FY 2019 budget also includes \$20 million for the Water Infrastructure Finance and Innovation Act (WIFIA) program to address water infrastructure needs. The \$20 million provided for WIFIA could provide up to \$2 billion in credit assistance, which, when combined with other funding resources, could spur up to an estimated \$4 billion in total infrastructure investment. In the first round of WIFIA funding, projects selected encompass the broad range of project types that the WIFIA program can finance, including wastewater, drinking water, stormwater, and water recycling projects. Taken together, these projects demonstrate how WIFIA complements the SRF programs as an additional innovative and flexible source of low-cost capital for communities of all sizes.

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 actions are integral to infrastructure efforts because source water protection can reduce the need for additional drinking water treatment and avoid the associated costs. To assure the American people that their water is safe to drink, 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.

The Agency is focused on reducing lead exposure in the Nation's water supply. EPA will work to advance progress in this area through revisions to the Lead and Copper Rule (LCR) as well as regulations to implement the Water Infrastructure Improvement for the Nation (WIIN) Act and the Reduction of Lead in Drinking Water Act. Lead exposure, particularly at higher doses, continues to pose a significant health and safety threat to our children, robbing them of the fullest potential of their health, intellect, and future. EPA and our federal partners are committed to taking action to address this threat and improve health outcomes for our Nation's most vulnerable citizens – our children. This budget maintains funding for the Drinking Water State

Revolving Fund (DWSRF) which may be used to help communities replace lead service lines by providing principal forgiveness and low interest loans in addition to maximizing the use of the DWSRF set-asides to fund corrosion control studies when an action level exceedance is triggered. The maintained funding for the Drinking Water SRF, and the efforts of the President's Task Force on Environmental Health Risks and Safety Risks to Children, which I recently convened at EPA headquarters, will ensure we are focused on reducing lead exposure nationwide.

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 2019, 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. The FY 2019 budget includes funding for the Chesapeake Bay and Great Lakes geographic programs to support our state and local partners that monitor and protect these water bodies of national significance. EPA also will continue to implement and support core water quality programs that control point-source discharges through permitting and pre-treatment programs.

Revitalizing Land and Preventing Contamination

During my time as Administrator, I have heard from families, community members, elected officials, and business leaders that the remediation of contaminated sites takes too long. Approximately 53 million, or 16 percent, of all Americans, live within three miles of a Superfund site. Ensuring that the Superfund program is efficiently and effectively managed, and contaminated land is returned to a safe and productive use, is one of my top priorities. The FY 2019 budget funds the Superfund account at the full FY 2017 enacted level to accelerate our progress in revitalizing land. Additionally, last year I established the Superfund Task Force, which identified forty-two recommendations under five overarching goals for revamping EPA's Superfund work. These goals are Expediting Cleanup and Remediation; Re-Invigorating Responsible Party Cleanup and Reuse; Encouraging Private Investment; Promoting Redevelopment and Community Revitalization; and Engaging Partners and Stakeholders.

Work to prioritize and reinvigorate the program is well underway and will continue into the future. One example of the changes we are implementing is the identification of Superfund sites for immediate and intense action. I personally monitor and engage with our Regional offices to accelerate work at these sites, such as at the West Lake site, where we recently released a Proposed Plan after years of inaction. At these sites and others across the country, the EPA is actively engaged with increasing the pace of remediation progress at Superfund sites on a continuous basis.

In FY 2019, the Superfund program request is \$1.089 billion, which will provide support to states, local communities, and tribes in their efforts to assess and cleanup many of the worst contaminated sites in the U.S. and return them to productive use. In addition to Superfund, over \$109 million is requested for Brownfields programs that will cleanup and restore contaminated land so it can be available for redevelopment and provide economic productivity. EPA's Brownfields programs are a successful model where the Agency works cooperatively with states, tribes, local governments, and other agencies to help communities oversee, plan, assess, and

clean up Brownfield properties. These activities 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 69,200 acres of idle land made ready for productive use and over 129,240 jobs and \$24.7 billion leveraged to date.

When it comes to cleaning up contaminated sites, I believe that the steps we have put in place will accelerate the pace of cleanups across the country.

Ensuring the Safety of Chemicals in Commerce

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

In FY 2019, \$59 million is requested for the Toxic Substances Control Act (TSCA) Chemical Risk Review and Reduction Program to support the Agency's significant ongoing and new responsibilities for ensuring that new and existing chemicals in commerce do not present unreasonable risks to human health or the environment. The Act authorized a new TSCA Service Fee to help provide funding for EPA to carry out its new responsibilities. The Agency recently released a proposed TSCA User Fee rule and anticipates collecting fees in FY 2019. The new fee will help defray cost of carrying out new sections of the law and better support pre-manufacture notice reviews.

In FY 2019, the Agency expects to review over one thousand new chemical submissions, take appropriate testing and risk management actions - including orders and Significant New Use Rules (SNURS) where appropriate, and make affirmative determinations. New chemicals will be evaluated and decisions will be based on the best available science and the weight of evidence.

Under my leadership, we have eliminated a backlog of more than 300 new chemical submissions that required re-review under the new law; completed reviews under the new law of more than 1,150 new chemical notifications; and commenced risk evaluations for an initial set of 10 priority chemicals and are issuing scoping documents on schedule. The Agency is also increasing transparency for the public and 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.

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. 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. EPA's pesticide licensing program evaluates new pesticides before they reach the market and ensures that pesticides already in commerce are safe when used in accordance with the label as directed by the Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA), the Federal Food, Drug, and Cosmetic Act (FFDCA), and the Food Quality Protection Act (FQPA). The program ensures that the pesticides available in the U.S. are safe when used as directed. EPA will continue to review and register new pesticides, new uses for existing pesticides, and other registration requests in accordance with all statutory requirements. In addition, the program is increasing the focus on pollinator health and working with other federal partners, states, and private stakeholder groups to stem pollinator declines and increase pollinator habitat.

In FY 2019, 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.

Assuring Compliance with the Law

For decades, the protections mandated by federal environmental laws have been essential to the growth of American prosperity and improvements to public health and environmental quality. EPA remains focused on assisting the regulated community in attaining and maintaining compliance with our Nation's environmental laws and, where necessary, punishing bad actors who shirk those laws. This means providing effective compliance assistance to our industry partners and enforcing civil and criminal cases in areas that address substantial impacts to human health and the environment. EPA's enforcement efforts to date 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.

As an example of providing increased compliance assistance, the budget includes a proposal for new voluntary oil and chemical facility compliance assistance fees. For interested parties, EPA would conduct a walk-through and provide recommendations on ways the facility could come into or remain in compliance with EPA regulations. This is one example of how the Agency is advancing compliance assistance.

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.

Improving Efficiency and Effectiveness

The budget includes EPA's Reform Plan to implement the goals of the President's *Executive Order 13781: Comprehensive Plan for Reorganizing the Executive Branch*. The plan includes a series of projects focused on improving how EPA provides services and engages customers. Projects include streamlining EPA's permit review processes, deploying a Lean Management System, and reducing unnecessary reporting burden on the regulated community. We will build on business process improvements by partnering with states, tribes, and local governments to expand and support approaches across all our programs. The Agency will work with states and use Lean techniques to streamline the review of state-issued permits.

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. We will work with states and tribes to target resources to core statutory work and provide flexibility to address particular priorities and concerns. As careful stewards of taxpayer resources, we will examine our programs for those that are unnecessary, redundant, or that have served their purpose and accomplished their mission or are outside EPA's statutory mandates. The FY 2019 President's Budget identifies and eliminates programs to save taxpayers approximately \$620 million relative to the FY 2018 enacted budget.

With this budget, we are committed to fulfilling 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 for communities across America.

Thank you for the opportunity to speak with you today. I look forward to answering your questions.