

**TESTIMONY OF
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U.S. ENVIRONMENTAL PROTECTION AGENCY
BEFORE THE
SUBCOMMITTEE ON WATER RESOURCES AND ENVIRONMENT
COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE
U.S. HOUSE OF REPRESENTATIVES**

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Good morning Chairman Gibbs, Ranking Member Bishop, and Members of the Subcommittee. I am Mathy Stanislaus, Assistant Administrator for the U.S. Environmental Protection Agency's (EPA) Office of Solid Waste and Emergency Response (OSWER). Thank you for the opportunity to appear today to discuss EPA's proposed budget for OSWER programs falling under the Subcommittee's jurisdiction.

The President's Fiscal Year 2014 Budget demonstrates that we can make critical investments to strengthen the middle class, create jobs, and grow the economy while continuing to cut the deficit in a balanced way. EPA's budget request of \$8.153 billion for the 2014 fiscal year starting October 1, 2013 reflects our ongoing efforts to change the way EPA does business; to invest in more efficient ways for the Agency to operate, to further reduce costs wherever possible all while we preserve and enhance our ability to carry out the Agency's core mission to protect human health and the environment. The President's budget reinforces our firm commitment to keeping American communities clean and healthy, while also taking into consideration the difficult fiscal situation and the declining resources of state, local and tribal programs.

EPA's requested budget will allow us to continue making progress toward cleaner air, addressing climate change, protecting the nation's waters, supporting sustainable water infrastructure and protecting

lands and assuring the safety of chemicals. It is the product of careful discussions and difficult choices. In the end, we believe this budget will enable us to work toward the Agency's goals as effectively and efficiently as possible.

To clean up our communities, the President is proposing investments that clean up contamination and promote economic development and job creation. The President's Fiscal Year 2014 Budget proposes \$158.5 million for EPA Brownfields and smart growth efforts with \$156.3 million proposed for OSWER's Brownfields program to support State and Tribal cleanup programs and to support planning, cleanup, job training, and redevelopment of brownfields properties, especially in underserved and disadvantaged communities. Included within this request are the following categories: (1) \$47.6 million in categorical grants awarded directly to the states, tribes, and territories to support their own response programs; (2) \$85.0 million for the brownfields projects account supporting competitive grant competitions including; assessment, revolving loan funds, cleanup, area-wide planning, and environmental workforce and job training grants; and (3) \$23.7 million in other technical assistance, program operations, and sustainable development through OSWER's Environmental Programs and Management (EPM) account.

EPA's Brownfields program uses its funding to successfully leverage economic investment. On average, nearly \$18 is leveraged in private and public funding for every EPA dollar expended, and more than 85,000 jobs have been leveraged through brownfields projects funding since the inception of the Brownfields program. In FY 2014, Brownfields program grantees are projected to assess more than 1,200 properties, clean up more than 120 properties, help create at least 5,000 cleanup and redevelopment jobs, and leverage more than \$1.2 billion in cleanup and redevelopment funding. The

assessment and clean up of brownfields properties is essential to community revitalization in economically disadvantaged areas.

The Brownfields program also provides funds for environmental workforce development and job training. In 2012, one of the successful environmental workforce and job training grant applicants was the City of Glens Falls, New York. Glens Falls anticipates training 100 unemployed, local residents and placing 90 graduates in environmental jobs. Graduates will be provided training in Hazardous Waste Operations and Emergency Response (HAZWOPER), confined space entry, construction site worker safety, underground storage tank leak prevention, solid waste management, alternative waste technologies, wastewater treatment facility operation, and lead-based paint renovation, repair, and painting. In addition, training will also be offered to help meet the employment needs of the Hudson River Dredging Superfund project and other environmental cleanup projects planned or underway in the region.

EPA launched its Area Wide Planning program in FY 2010. Brownfields Area-Wide Planning encourages community-based involvement in brownfields reuse planning and neighborhood revitalization. Using a brownfields area-wide planning approach, a community identifies a specific project area that is affected by a single large or multiple brownfield site(s), and then works with residents and other stakeholders to develop reuse plans and identify opportunities for implementation funding for catalyst, high priority brownfield sites and the surrounding areas. By focusing on economically disadvantaged communities suffering from economic disinvestment, brownfields properties can be cleaned up and redeveloped to help meet the needs for jobs, housing, and infrastructure investments that would help rebuild and revitalize these communities as a whole, as well as identify opportunities to leverage additional public and private investment.

Beginning with the pilot program in FY2010, EPA awarded funding for 23 projects in 18 states. While most of these grants with EPA have ended, EPA will continue to support the 23 pilot communities as they seek resources and leverage funds for plan implementation. In April 2013, EPA announced the selection of 20 new Brownfields Area-Wide Planning recipients. These new recipients represent 16 states, including local governments in Burlington, VT; Lee, MA; Philadelphia, PA; Louisville, KY; Toledo, OH; Indianapolis, IN; Freeport, IL; Janesville, Wausau, and Green Bay, WI; Shreveport, LA; Council Bluffs, IA; Minot, ND; and Vancouver, WA; a regional planning commission in Central Florida; as well as nonprofit organizations in Yonkers, NY; Carlisle, PA; Chicago, IL; Chattanooga, TN; and National City, CA. In FY 2014, EPA will work with the 20 new communities recently selected for brownfields area-wide planning awards, and, as part of the Agency's on-going efforts to assist economically disadvantaged communities, plans to award an additional 20 brownfields area-wide planning projects.

EPA will continue to recognize that the nation's wide-ranging small and rural areas can benefit from brownfields funding and technical assistance by emphasizing these areas through our Targeted Brownfields Assessments. EPA will also provide funding for assessment and cleanup of underground storage tanks and other types of petroleum contamination on brownfields sites.

This budget requests \$1.18 billion for Superfund cleanup efforts across the country, which represents a reduction from FY 2012 enacted levels and reflects the hard budget choices that are being made. Superfund Removal and Homeland Security program funding levels are maintained with focused reductions associated with long-term remediation in the Superfund Remedial program. We expect that reductions to the Superfund Remedial program will result in only a limited number of new EPA-lead

construction project starts in FY 2014. EPA will balance the Superfund Remedial pipeline while focusing on the completion of ongoing projects rather than new starts.

We will continue to respond to environmental emergencies, clean up the nation's most contaminated hazardous waste sites, and maximize the participation of liable and viable responsible parties in performing and paying for cleanups. We are committed to continuing the Superfund program's success in protecting human health and the environment and providing local communities opportunities for economic development by cleaning up our nation's worst hazardous waste sites.

For example, the Mill Creek Dump Superfund site in Erie, Pennsylvania is an example of how cleanup can lead to beneficial use of a Superfund site. For four decades, the site operated as an industrial and municipal dump, as well as an unpermitted dump area. Cleanup activities addressed soil and ground water contamination at the site, while also addressing wetland habitats lost through landfill operation and remedy construction. The site's responsible parties worked with federal, state and local government partners to develop a cap design that would support future development of a golf course over the capped area and to select areas to construct replacement wetlands.

Several years later, the adjacent property owner, Erie International Airport, acquired 12 acres of the capped area, including portions of the golf course, for a runway expansion project to enhance aviation capacity and comply with Federal Aviation Administration safety regulations. Federal, state and local government partners worked with the responsible parties and the Airport to ensure that construction and reuse would continue to be compatible with the remedy at the site. In November 2012, the new extended runway at Erie International Airport opened to air traffic and a newly reconfigured golf course and driving range will reopen to the public this summer.

Another example of cleanup and beneficial use is the Aerojet General Corp. Superfund site in Rancho Cordova, California. Rocket engine design, manufacturing and chemical formulation activities at the site led to soil and ground water contamination. Cleanup efforts at this 5,900-acre site included pumping and treating 25 million gallons of ground water per day to contain the contaminated plume. Through collaboration with federal and state partners, as well as a significant contribution from the local utility district, Aerojet constructed a 6 megawatt solar farm on the site to reduce the company's carbon footprint and help power the ground water treatment system. The electricity produced provides more than 20 percent of the energy needed to power the site's ground water cleanup program.

Aerojet continues to operate on the Superfund site and also has tenants using the site for a variety of office, commercial and light industrial activities. Aerojet has begun planning for a smart growth, mixed-use development for a portion of the site, including residential and commercial transit-oriented uses.

EPA has initiated a multi-year effort to integrate and leverage our land cleanup authorities to address a greater number of contaminated sites, accelerate cleanups, and put sites back into productive use while protecting human health and the environment. EPA's Integrated Cleanup Initiative (ICI) represents EPA's commitment to bring more accountability, transparency and progress to contaminated site cleanups. As a first step, EPA developed a publicly reported performance measure in FY 2011 which tracks the number of Superfund Remedial Action Project completions. In FY 2012, we exceeded our target of 130 by completing 142 remedial action projects. EPA has committed to 115 project completions in both FY 2013 and FY 2014. This measure has augmented EPA's site-wide construction completion measure and helps improve project management and provide communities with additional and important site progress information.

EPA has completed four site project management pilots as part of our ICI efforts. Lessons learned include methods to expedite settlement negotiations, producing a more effective procurement and management process through project delivery integration, reducing remedial timelines through increased use of agency-based resources, and utilizing pre-placed contracts for remedial design and remedial action work. We are applying the cost and time savings lessons learned through these pilots to other site projects planned and underway in the Superfund program.

One of the principal elements of the ICI is to increase the project management focus and manage projects to completion. In FY 2012, EPA controlled unacceptable human exposures from site contamination at an additional 13 sites, exceeding the goal of 10; controlled groundwater migration from site contamination at an additional 18 sites, exceeding the goal of 15; made ready for site-wide anticipated use an additional 66 sites, exceeding the goal of 65; and completed remedy construction at 22 sites throughout the country, meeting the goal of 22.

Through the end of FY 2012, cleanup construction has been completed at 1,142 NPL sites, which represents 68 percent of sites listed on the NPL. The FY 2014 goal for construction completions is 15 sites. In FY 2014, we will continue to seek ways to conduct our work as efficiently as possible through innovative contracting approaches and working to incorporate project optimization into our cleanup management. Despite these efficiency efforts, EPA anticipates that the budget reductions in our Superfund Remedial program will have an impact on program outputs, affecting a number of aspects of the Remedial cleanup pipeline. The agency will continue to give priority to completing projects at various stages in the response process. The cumulative effect of funding reductions in recent years and sequester will potentially delay construction work at approximately 40 to 45 new construction projects by the end of FY 2014. EPA will strive to continue to maintain a number of key public health measures,

including 10 sites where human exposures are brought under control and 15 sites where groundwater migration is brought under control.

The Superfund program also continues to prepare for future cleanup efforts, and in FY 2012 the Agency listed 24 new sites on the NPL and proposed an additional 18 new sites. EPA has continued its effort to efficiently utilize every dollar and resource available to clean up contaminated sites and to protect human health and the environment. In FY 2012, EPA obligated more than \$625 million for Remedial cleanup activities, including funding from the Superfund program appropriation, state cost-share funding, and potentially responsible party settlement funding for Superfund construction and post-construction projects. In FY 2012, EPA completed 142 Remedial Action Projects at sites on the NPL. EPA was also able to utilize some of this obligated funding to fund 12 new starts on construction projects (although EPA was unable to fund 21 new construction project starts).

EPA has been particularly successful in leveraging constrained appropriated funding through the use of responsible party settlements to establish site-specific special accounts. Through the end of FY 2012, EPA had collected more than \$4 billion (including interest) in more than 1,000 site-specific special accounts. Of this amount, EPA has disbursed or obligated more than \$2.5 billion for site response actions and developed multi-year plans for nearly 100% of the remaining funds in special accounts available to fund response actions. In total, through FY 2012, EPA has secured more than \$37 billion in responsible party commitments for site cleanup and reimbursement of past costs. Of this amount, more than \$31 billion is from settlements for cleanup and approximately \$6 billion is from settlements for cost recovery.

In addition, the Superfund removal and emergency response program conducted, or provided oversight for, 428 EPA-lead and responsible party removal cleanup actions in FY 2012. The FY 2014

target for EPA-lead removal actions is 170, as is the target for responsible party removal actions. EPA's emergency response program will continue to maintain capability to respond to imminent threats to human health, including incidents of national significance. EPA is the lead federal agency under the National Response Framework for Emergency Support Function (ESF) 10, which addresses the response to discharges or uncontrolled releases of oil and hazardous materials.

EPA's chemical accident and oil spill prevention programs play an important role in assessing and reducing risks of chemical accidents and oil spills. EPA's Risk Management program works with State and local prevention and preparedness programs to help protect communities from catastrophic releases of hazardous substances from facilities which are required to submit Risk Management Plans (RMPs) and works with the facilities to identify deficiencies and recommend best practices to help prevent a release. There are approximately 13,000 facilities with Risk Management Plans throughout the United States. The FY 2014 budget requests an additional \$800 thousand to increase inspections at high risk RMP facilities.

EPA's oil Spill program is designed to protect inland waterways through oil spill prevention, preparedness, and enforcement activities associated with the more than 600,000 non-transportation related oil storage facilities that EPA regulates. Recognizing the importance that this sector has both to our economy and to our environment, the FY 2014 Budget requests a \$2.4 million increase for OSWER's oil spill program which will fund efforts to broaden and expand prevention and preparedness activities, particularly with respect to the inspection of high risk facilities and the development and implementation of a third party audit program. Approximately 20,000 oil spills are reported each year to the federal government. The severity of these spill reports varies, and EPA evaluates as many as 13,000 spills to determine if its assistance is required. EPA works closely with the U.S. Coast Guard and, on

average, either manages the oil spill response or oversees response efforts of private parties at approximately 250 to 300 sites per year. The FY 2014 Budget request for OSWER's oil spill prevention, preparedness, and response program is \$17 million with a total agency oil spill appropriation request of \$21 million which includes funding for oil spill research and enforcement efforts.

The President's 2014 EPA budget request maintains the commitment to protect human health and the environment, protects our communities while promoting economic development and job creation, and reflects tough choices in recognizing the fiscal constraints facing our nation.