

US EPA ARCHIVE DOCUMENT

**TESTIMONY OF
J. CHARLES FOX
ASSISTANT ADMINISTRATOR FOR WATER
U.S. ENVIRONMENTAL PROTECTION AGENCY
BEFORE THE
COMMITTEE ON AGRICULTURE
U. S. HOUSE OF REPRESENTATIVES
June 28, 2000**

INTRODUCTION

Good morning Mr. Chairman and members of the Committee. I am Chuck Fox, Assistant Administrator for Water at the U.S. Environmental Protection Agency (EPA). I look forward to talking with you this morning about the Nation's clean water program and, more specifically, our efforts to identify polluted waters around the country and restore their health under the Total Maximum Daily Load or TMDL program.

I am very pleased that James Lyons, Under Secretary for Natural Resources and Environment at the U.S. Department of Agriculture (USDA) is joining me today. Over the past several years, EPA has worked closely with the Department of Agriculture and other federal agencies and States to coordinate programs designed to protect natural resources and water quality.

In my testimony today I want to review the overall approach to water pollution control that we are implementing under the Clean Water Act and the *Clean Water Action Plan*. I want to describe how the TMDL program works and how we plan to improve the program. Finally, Mr. Chairman, I will describe the Administration's strong opposition to H.R. 4502, a bill calling for a delay of several years in finalizing revisions to the TMDL program regulations.

CLEAN WATER FOR THE FUTURE -- THE *CLEAN WATER ACTION PLAN*

Twenty-eight years ago, the Potomac River was too dirty to swim in, Lake Erie was dying, and the Cuyahoga River was so polluted it burst into flames. Many rivers and beaches were little more than open sewers.

Enactment of the Clean Water Act dramatically improved the health of rivers, lakes and coastal waters. It stopped billions of pounds of pollution from fouling the water and doubled the number of waterways safe for fishing and swimming. Today, many rivers, lakes, and coasts are thriving centers of healthy communities.

Despite this tremendous progress in reducing water pollution, almost 40 percent of the Nation's waters assessed by States still do not meet water quality goals. The States report that pollution from factories and sewage treatment plants has been reduced but remains a concern in many areas. Soil erosion and wetland losses impair or threaten the health of many aquatic systems. Pollution from a wide range of sources (e.g. storm water from city streets, agricultural lands, forestry operations, and others) degrade water resources. Fish in many waters contain unacceptable levels of mercury and other toxic contaminants. Beaches are too often closed due to poor water quality.

Several years ago, after taking a hard look at the serious water pollution problems around the country, the Administration concluded that current implementation of the existing programs was not fully addressing serious water pollution threats to public health, living resources, and the Nation's waters.

In response to this concern, President Clinton and Vice President Gore announced, in February of 1998, an interagency effort to enhance existing clean water programs and speed the restoration of the Nation's waterways. The *Clean Water Action*

Plan was the product of a cooperative effort by USDA, EPA, the Department of the Interior, the National Oceanic and Atmospheric Administration, the Army Corps of Engineers and others. It describes over 100 actions -- based on existing statutory authority -- that these agencies and others will undertake to strengthen efforts to restore and protect water resources.

- < The *Action Plan* is built around four key tools to achieve clean water goals.
 - < **A Watershed Approach** -- The *Action Plan* envisions an improved collaborative effort by federal, State, Tribal, and local governments, the public, and the private sector to restore and sustain the health of the over 2,000 watersheds in the country. The watershed approach provides a framework for water quality management and is a key to setting priorities and taking action to clean up rivers, lakes, and coastal waters.
 - < **Strong Federal and State Standards** -- The *Action Plan* describes how federal, State, and Tribal agencies may revise standards where needed and make programs more effective. Strong standards are key to protecting public health, preventing polluted runoff, and ensuring accountability.
 - < **Natural Resource Stewardship** -- Much of the land in the Nation's watersheds is cropland, pasture, rangeland, or forests, and much of the water that ends up in rivers, lakes, and coastal waters falls on these lands first. Clean water depends on the conservation and stewardship of these natural resources. This *Action Plan* encourages federal natural resource agencies, including the Department of Agriculture, to continue to support State and local watershed restoration and protection.

- < **Informed Citizens and Officials** -- Clear, accurate, and timely information is the foundation of a sound water quality program. Informed citizens and officials make better decisions about their watersheds. The *Action Plan* encourages federal agencies to improve the information available to the public, State and local governments, and others about the health of their watersheds and the safety of their beaches, drinking water, and fish.

USDA, EPA and others are making good progress in implementing the over 100 specific actions described in the *Clean Water Action Plan*. Congress has provided vital support to this work by appropriating critical funding, including doubling EPA's State grants for reducing nonpoint pollution to about \$200 million.

A key accomplishment promoted by the *Action Plan* is completion of State assessments of watershed health and initiation of over 300 Watershed Restoration Action Strategies to restore polluted waters on a watershed basis. These Action Strategies are a tremendous tool for drawing together the diverse authorities and resources of local, State, and federal agencies, along with the private sector, to restore watershed health.

Other accomplishments include a new BEACH Action Plan, a response plan for pollution threats to coastal waters, new regulations to control discharges of stormwater, new efforts to support establishment of riparian buffers, and a contaminated sediment strategy. We are also supporting efforts to protect water quality and wetlands on a watershed basis through Watershed assistance grants and the five State grant program.

The *Clean Water Action Plan* is a sound blueprint that brings the Nation's clean water programs into the new century. I ask, Mr. Chairman, that a copy of the second annual report of progress in implementing the *Clean Water Action Plan* be included as part of my testimony in the hearing record.

RESTORING AMERICA'S POLLUTED WATERS

The clean water programs that EPA and the States implement -- ranging from financing assistance for sewage treatment facilities, to permits for dischargers, to technical assistance to control pollution from nonpoint sources -- are all intended to reduce water pollution.

For many years after passage of the 1972 Clean Water Act, pollution problems were so common that any reduction in pollutants made a contribution to improving the health of waters. Today, however, some of the most obvious water pollution problems have been addressed. To restore the health of those waters that remain polluted, we need to complement existing programs with a more focused effort to identify *specific* polluted waters and define the *specific* measures needed to restore them to health.

The authors of the 1972 Clean Water Act envisioned a time when this more focused approach to restoring the remaining polluted waters would be needed and they created the TMDL program in section 303(d) of the Act.

The Total Maximum Daily Load (TMDL) Program -- Background

The TMDL program, as it exists today, has two key phases -- identification of polluted waters and restoration of the health of these waters.

In the *identification* phase of the program, the States, with EPA oversight and approval, develop lists of polluted waterbodies -- waters that do not attain the water quality standards adopted by that State -- every two years.

States consult with the public in developing lists, rank waters on their lists based on the severity of the pollution, and set schedules for the development of TMDLs for

each water body over an 8 -13 year period.

The second part of the program is the development of the actual TMDL, which is, in effect, a State's plan to restore the uses of the water that the State has determined to be appropriate (e.g. swimming). It includes a quantitative assessment of water quality problems and the pollutant sources that contribute to these problems. A TMDL for an impaired water defines the amount of a pollutant that can be introduced into a waterbody so that the waterbody will achieve the water quality standards adopted by that State and allocates reductions in the pollutant or pollutants among the sources in a watershed. As such, it provides a guide to taking on-the-ground actions needed to restore a waterbody.

A TMDL can focus on a small segment of a waterbody or on a group of waters in a larger watershed. Where many polluted waters are clustered together, some States have chosen to develop a more comprehensive, watershed approach to the problem -- such as a Watershed Restoration Action Strategy as described in the *Clean Water Action Plan*.

States develop the lists of polluted waters and the specific TMDLs, both of which must be approved by EPA. If EPA disapproves a State list or TMDL, the Clean Water Act requires EPA to establish the list or TMDL for the State.

TMDL Program Status

The TMDL program was designed to provide a safety net, catching water bodies that were not protected or restored by the implementation of the range of general, broadly applicable, pollution control programs authorized in the Clean Water Act.

Until the early 1990's, however, EPA and States gave top priority to implementing

these general clean water programs and gave lower priority to the more focused restoration authorities of the TMDL program. As a result, relatively few TMDLs were developed and many State lists were limited to a few waters and were not submitted in a timely manner.

Several years ago, citizen organizations began bringing legal actions against EPA seeking the listing of waters and development of TMDLs. To date, 17 of these cases have been resolved with agreement for State actions to identify impaired waters and establish TMDLs. Where States fail to act, EPA will step in and identify the polluted waters or establish the TMDLs.

In 1996, EPA determined that there was a need for a comprehensive evaluation of the TMDL program. The Agency convened a committee under the Federal Advisory Committee Act (FACA) to make recommendations for improving program implementation, including needed changes to the TMDL regulations and guidance.

The TMDL FACA committee was composed of 20 individuals with diverse backgrounds, including agriculture, forestry, environmental advocacy, industry, and State, local, and Tribal governments. Two representatives of the USDA served as ex-officio members of the FACA.

In July of 1998, the committee submitted to EPA its final report containing more than 100 consensus recommendations, a subset of which would require regulatory changes. Although the TMDL FACA committee did not meet agreement on all issues, the recommendations guided EPA in the development of the revisions to the TMDL regulations proposed in August of last year.

EPA already has taken a number of other significant steps to improve State progress in listing polluted waters and developing TMDLs. For example, in August

1997, EPA issued two policy memoranda providing guidance for State lists and requesting that States work to improve the pace of establishing TMDLs. In particular, EPA asked that States develop 8-13 year schedules for developing TMDLs for all listed waterbodies, beginning with the lists due April 1, 1998.

States have made very good progress developing lists of polluted waters. All States submitted 1998 lists and EPA has approved all but one of these lists. In a few cases, EPA added waters to a State list. These lists, and maps of each State's polluted waters, are available over the Internet at www.owow/tmdls.epa.gov.

In addition, the number of TMDLs developed by States and approved by EPA has been steadily increasing over the past several years. Between 1972 (when Congress passed section 303(d) as part of the Clean Water Act) and 1999, States and EPA established approximately 1000 TMDLs.

Since October 1999, States have established, and EPA has approved, over 600 TMDLs for a variety of pollutants, including sediments and nutrients which are predominately caused by polluted runoff. Across the country, over 2000 TMDLs are now under development.

What Do the 1998 TMDL Polluted Waters Lists Tell Us?

The 1998 State lists of polluted waters tell us that the overwhelming majority of Americans -- 218 million -- live within 10 miles of a polluted waterbody. Over 20,000 waterbodies across the country are identified as not meeting State water quality standards. These waterbodies include over 300,000 river and shore miles and 5 million lake acres. The size of these impaired waterbodies range from short sections of headwater streams to long sections of major rivers like the Mississippi and the

Colorado.

Direct pollution discharges from sewage treatment plants and factories are the sole cause of pollution in about 10 percent of polluted waters. Another 47 percent are impaired by a combination of point source discharges and polluted runoff. The remainder are impaired by polluted runoff from diffuse or nonpoint sources. Some of the impairments are the result of ongoing discharges while others stem from historic or legacy problems resulting from past activities.

The pollutants most frequently identified as causing water quality impairment include sediments, excess nutrients, and harmful microorganisms. Metals, including toxics, also contribute to these impairments.

On average, there are about two pollutants identified for each of the impaired waters. This means that as many as 40,000 TMDLs may need to be done, although watershed approaches can be used to address many of these individual segments at the same time and in a coordinated manner for greater efficiency.

To better illustrate the story that the 1998 polluted waters lists tell, I have several maps and graphs -- including a national map depicting the percent of impaired waters by watershed, and a bar graph indicating the leading reasons that waters do not meet their clean water goals -- that I would like to enter into the record.

PROPOSAL TO IMPROVE TMDL PROGRAM REGULATIONS

On August 23, 1999 President Clinton announced proposed revisions to the existing TMDL program regulations that will significantly strengthen the Nation's ability to achieve clean water goals and provide States, Territories, and authorized Tribes clearer direction for identifying and restoring polluted waters. In addition, EPA proposed

changes to the Clean Water Act discharge permit program and the water quality standards program that complement the proposed TMDL regulatory revisions.

These regulatory revisions are mid-course changes to the existing program based on current data and first-hand, on-the-ground knowledge regarding the status of the Nation's waters. Moreover, the insights we gained from the Advisory Committee process provided guidance on constructive changes to the program.

TMDL Regulations -- Key Elements

In developing the proposed TMDL regulations, EPA sought to provide a common-sense, cost-effective framework for making decisions on how to restore polluted waters. EPA expects that the final rule will:

- < ***Tell the Full Story*** -- provide for a comprehensive listing of *all* the Nation's polluted waters;
- < ***Meet Clean Water Goals*** -- identify pollution reduction needed to meet the clean water goals established by States in water quality standards;
- < ***Encourage Cost-Effective Clean-Up*** -- assure that all sources of pollution to a waterbody are considered in the development of plans to restore the waterbody;
- < ***Rely on Local Communities*** -- foster local level, community involvement in making decisions about how best to meet clean water goals;
- < ***Foster On-the-Ground Action*** -- call for an implementation plan that identifies specific pollution controls for the waterbody that will attain clean water goals;
- < ***Commit to Environmental Results*** -- require a reasonable assurance that the needed pollution reductions will be implemented; and
- < ***Assure a Strong Program Nationwide*** -- EPA will establish lists of polluted waters and TMDLs where a State fails to do so.

Cooperation with Interested Parties Since Proposal

Over the past several months, EPA has worked closely with many groups and

organizations interested in the TMDL program and in the proposed revisions to the current TMDL regulations. We have also made a special effort to review the many public comments we received on the proposed regulations.

The Clean Water Act provides that States have the lead in the identifying polluted waters and developing TMDLs. It is critical that States stay in this leadership role and that they are partners in developing and implementing the program for restoring polluted waters described in our final regulations. In developing the proposed revisions to the TMDL regulations, we worked closely with State officials, including a group set up by the Association of State and Interstate Water Pollution Control Administrators (ASIWPCA) and the Environmental Council of the States (ECOS).

For the past several years, EPA and the United States Department of Agriculture (USDA) have worked in close cooperation to design and implement programs to protect water quality. EPA and USDA: worked with other federal agencies in developing the *Clean Water Action Plan* several years ago; developed the EPA/USDA Unified National Strategy for Animal Feeding Operations issued last year; and, worked with other agencies to draft the Unified Federal Policy for management of water quality on federal lands on a watershed basis proposed earlier this year.

When the proposed TMDL rule was published last August, concerns were raised in comments by the USDA. In response to these concerns, I met with Under Secretary for Natural Resources and the Environment, James Lyons, and we established a joint EPA/USDA workgroup to review concerns of USDA with the TMDL proposal.

The USDA/EPA workgroup met on a regular basis for three months and these meetings involved several dozen staff from different parts of both agencies. These intensive discussions have helped both agencies think through how our programs can

best be coordinated.

EPA and USDA released a Joint Statement describing areas of agreement on the TMDL rule. I ask that a copy of the Joint statement be included in the record.

Some of the key elements of this Joint Statement describe changes EPA expects to include in the final TMDL rule on topics of interest to the USDA. For example, the Joint Statement outlines how EPA and USDA proposed, at the time of the agreement, to address the problem of restoring polluted waters that are impaired as a result of forestry operations.

The USDA/EPA forestry proposal is discussed in more detail later in my testimony. And, as I will explain there, EPA has decided not to include forestry provisions in the TMDL regulations to be finalized this summer. Instead, we expect that the Agency will repropose the forestry provisions separately this fall along the lines described in the USDA/EPA Joint Statement.

In addition, the Joint Statement addresses the treatment of diffuse runoff in our August TMDL proposal. EPA remains committed to voluntary and financial incentive approaches to reduce runoff from diffuse sources of pollution where there is reasonable assurance that these controls will be implemented. The proposed rule would *not* require Clean Water Act permits for runoff from these sources.

The President's FY 2001 Budget backs up this commitment to voluntary and incentive-based programs with proposals that EPA grants to States for polluted runoff programs be increased from \$200 to \$250 million, and that funding for conservation assistance programs at the U.S. Department of Agriculture be increased by \$1.3 billion. The benefits that result from these and other assistance programs will be given due credit in the TMDL process.

Because the majority of polluted waters are polluted in whole or in part by runoff from diffuse sources, a management framework that does not address them cannot succeed in meeting our clean water goals.

Review of Comments on the Proposed Regulations

I want to assure you that EPA has fully, and carefully, reviewed the public comments on the proposed regulations. The Agency received over 34,000 comments on the proposed TMDL regulation. The comments fall into three general groups B

- < We received some 30,546 postcards addressing control of water pollution from forestry operations. Many of these comments are virtually identical.
- < We received 2,747 comments from diverse individuals and organizations expressing a view on one or two elements of the proposal.
- < We received 781 comments from groups or individuals expressing comments on multiple parts of the proposal.

We view each and every comment as important. In anticipation of extensive comment, EPA began working to organize and evaluate comments received even before the close of the comment period. Since the comment period closed, we reassigned staff as needed to review and summarize comments.

This is an important effort begun over three years ago with the convening of a Federal Advisory Committee. EPA has made every effort to assure a full and careful review of public comments. If anything, the high level of interest in the regulation has given us an extra measure of determination to assure that the final TMDL rule is based on a careful consideration.

EXPECTED CHANGES IN FINAL TMDL REGULATIONS

Based on the comments we received on the proposed TMDL rule and on input

from other interested parties, we have revised the proposal and expect to publish a final TMDL rule early this summer. Some of the key changes EPA expects to make to the rule are described below.

Enhancing State Flexibility in Managing Polluted Waters

States will have the lead to identify and clean up polluted waters through the TMDL program. The final regulation will expand the flexibility that States have to tailor programs to the specific needs and conditions that they face. EPA expects that the final rule will:

- < ***Give States More Time*** -- allow States 4 years to develop lists of polluted waters, rather than 2 years as under current regulations;
- < ***Tailor to Local Conditions*** -- tailor implementation plan requirements and add flexibility to account for different types of sources causing the water quality problem; and
- < ***Endorse Voluntary Programs*** -- give full credit to voluntary or incentive-based programs for reducing polluted runoff through diverse control measures, including best management practices (BMPs).

Streamlining the Regulatory Framework

In response to comments from many interested parties, the final rule will be streamlined and focused on what is needed for effective TMDL programs. EPA expects that the final rule will:

- < ***Drop Threatened Waters*** -- drop the requirement that polluted water lists include Athreatened@waters expected to become polluted in the future;
- < ***Allow More Flexibility in Setting Priorities*** -- drop the proposed requirement that States give top priority to addressing polluted waters that are a source of drinking water or that support endangered species;
- < ***Drop Petition Process*** -- drop the proposal to provide a public petition process for review of lists of impaired waters or TMDL program implementation;
- < ***Drop Requirements for Offsets of New Pollution*** -- drop proposals to require offsets before new pollution can be discharged to polluted waters prior to the development of a TMDL; and
- < ***Phase-In Implementation*** -- new requirements for polluted waters lists become effective in 2002 and new requirements for TMDLs will be phased in over an 18 month period.

Provisions Relating to Forestry

As you know, EPA has received extensive comments on our proposed changes to the TMDL regulations, and we are making substantial improvements to the regulations based on these comments.

The one issue that we received the most comments on concerned our initial proposal for addressing water pollution problems caused by forestry operations. In response to these concerns, EPA worked closely with the USDA to develop an alternative approach to reducing water pollution from forest operations.

EPA agrees with the USDA and many in the forest industry that careful forest management can have diverse benefits to water quality in a watershed. The revised

approach described in the Joint Statement of the USDA and the EPA gives States the lead role in forest water quality and encourages the development of strong State forest water quality programs.

Although the revised approach described in the USDA/EPA Joint Statement is a significant improvement over the original proposal from last August, EPA believes that there is a need to describe this approach to the wide range of interested parties, to discuss how this approach would work, and to get ideas for improvements. For example, many observers have questioned the provision of the USDA/EPA proposal that would exempt lands managed by the U.S. Forest Service.

In response to the interest in additional discussion of forest water quality issues, I announced in a letter of June 8 that ***EPA will not include forestry provisions in the TMDL regulations to be finalized this summer.*** Instead, we expect that the Agency will repropose provisions relating to forestry later this fall along the lines described in the USDA/EPA Joint Statement. We intend to work closely with USDA and engage stakeholders extensively in reviewing the forestry provisions prior to the reproposal this fall. Based on the comments received on the reproposed rule, the Agency will decide sometime next year how best to proceed to address this important issue.

IMPORTANT RECENT DEVELOPMENTS RELATING TO TMDLs

I want to briefly review some recent, important developments related to the TMDL program.

Reducing Workload and Assuring Adequate Resources

State officials have expressed concern over the workload and costs of the TMDL program. EPA is making every effort to respond to this concern. Last month, EPA issued a regulation eliminating the requirement that States submit lists of polluted waters this year; new lists will not be due until 2002. The decision to eliminate the 2000 listing process has saved States and others hours of work and has allowed us all to concentrate on the important job of developing TMDLs for the over 20,000 waterbodies already identified as polluted.

States are also concerned about the costs of administering the TMDL program. The annual appropriation available to States to administer and directly implement TMDLs and the clean water program has steadily increased from \$131 million in 1993 to a proposed \$410 million in the Administration's proposed FY2001 budget.

The President's FY 2001 Budget increases State grant funding for TMDLs by \$45 million in FY 2001 alone. When States match this new funding, about \$70 million in new funding will be available for implementing the TMDL program.

In addition, EPA has provided States with the discretion to use up to 20 percent of funding under section 319 to develop TMDLs and for related work. The President's request for 319 funding in FY 2001 is \$250 million and thus provides up to \$50 million in additional TMDL funding.

And, EPA expects that the final rule will support more cost-effective development

of TMDLs by specifically encouraging States to develop TMDLs for groups of polluted waterbodies on a watershed scale.

EPA has worked with States to develop detailed assessments of the costs of key elements of the clean water program. Based on this analysis, and in consultation with the Office of Management and Budget (OMB), EPA projects that the funding proposed in the President's budget would be sufficient for States to administer the TMDL program in 2001 under the final TMDL regulations expected to be promulgated this summer.

Garcia River Decision

A federal court in California, reviewing a challenge to a TMDL developed for the Garcia River, concluded last month that the Clean Water Act authorizes EPA to establish TMDLs for waters polluted only by logging and agricultural runoff and/or other nonpoint sources rather than by any municipal sewer and/or industrial point sources.⁶

The court noted that the Supreme Court has consistently referred to the Clean Water Act as establishing a "comprehensive and all-compassing" program of water pollution regulation. The court found that the logic of section 303(d) required that listing and TMDLs were required for *all* impaired waters, and concluded that excluding nonpoint source impaired waters would have left a "chasm" in the statute. And, the judge found that Congress' passage of section 319 in 1987 was consistent with the view that section 303(d) covered nonpoint sources of pollution because TMDLs were needed for the planning required under Section 319.

This decision confirms EPA's long-standing interpretation of the Act. It also makes clear that the requirement to list waters polluted by diffuse or nonpoint sources,

and develop TMDLs for these waters, is based on the Clean Water Act rather than the existing or proposed TMDL regulation.

GAO Report on Water Quality Monitoring

Also in March, the General Accounting Office released a report critical of data used by States and EPA to make water quality decisions.

EPA has responded to the report in detail, agreeing with some conclusions and disagreeing with others.

EPA agrees with the GAO conclusion that some States lack the data that they need to fully assess the water pollution problems in their State. In many States, the lack of an extensive, and expensive, monitoring network prevents the State from evaluating all waters on a regular basis. Given limited resources, however, knowledgeable State managers focus monitoring resources on the most likely problem areas. The GAO report recognizes this approach and reports @State officials we interviewed said they feel confident that they have identified most of their serious water quality problems.@

The GAO report suggests that the polluted waters identified from this monitoring may not be all of the polluted waters in the State. It does not indicate that the polluted waters that *are* identified as polluted are *improperly* identified as polluted. In other words, the TMDL program may not be focused on enough waters, but it is not focused on the wrong waters. In addition, if a waterbody is listed as polluted by mistake, it can be removed from the list.

Some observers have incorrectly concluded that the report found that States do not have the data that they need to develop TMDLs. There are several problems with this conclusion.

First, GAO generally found that States *do* have the data they need to develop TMDLs for point sources.

Second, while most States now lack detailed data to develop a TMDL for waters polluted by nonpoint sources, the development of these site-specific data has not been a priority of State monitoring programs. EPA and States recognize and expect that, once the process of developing a TMDL is begun, sometimes, several years later, States will need to supplement the initial screening data used to identify the problem with more detailed assessments needed to develop a TMDL. The lack of these data today is not a reason to delay a TMDL.

Third, GAO concludes that the lack of detailed nonpoint source related data makes it difficult to directly measure pollutant contributions from individual nonpoint sources and, therefore, assign specific loadings to sources in order to develop TMDLs. This would be a concern if EPA's existing or proposed TMDL regulations required that States have data to assign specific loadings to individual sources, but they do not. Rather, EPA's proposed regulation specifically provided that allocations to nonpoint sources may include gross allotments to categories or subcategories of sources where more detailed allocations are not possible.

GAO Report on Economics

The GAO reviewed the economic analysis that the EPA did to support proposed revisions to existing regulations concerning the TMDL program and related Clean Water Act permit program regulations. The report concludes that EPA correctly interpreted the Regulatory Flexibility Act (RFA). However, EPA strongly disagrees with GAO's assertion that our analyses supporting our conclusions under Unfunded Mandates

Reform Act (UMRA) were in any way deficient and the report wrongly concludes that EPA should have done more analysis under URMA. EPA provided a complete and accurate assessment of economic and other aspects of the proposed TMDL rule and this analysis adequately supported our determinations under UMRA and RFA.

It is highly inappropriate for the report to conclude that EPA did not fully comply with all the applicable analytical requirements, particularly when GAO notes in its report that nothing in UMRA's language, legislative history, or case law definitively addresses the areas that GAO disagrees with EPA. GAO may believe that it would have been desirable for EPA to have provided different or supplemental economic analysis of the proposed rule. While additional analysis is always possible, the time and cost of exploring all analytical avenues must be weighed against delay in the significant benefits to the Nation of a more efficient process to restore over 20,000 polluted waters and meet the goals of the Clean Water Act. In addition, the report overstates the uncertainties related to water quality data that I have discussed above and forestry practices

Atlas of America's Polluted Waters

States submitted lists of polluted waters in 1998. Over 20,000 waterbodies across the country are identified as not meeting water quality standards. These waterbodies include over 300,000 river and shore miles and 5 million lake acres. The overwhelming majority of Americans -- 218 million -- live within 10 miles of a polluted waterbody.

A key feature of the 1998 lists of polluted waters is that, for the first time, all States provided computer-based geo-referencing data that allow consistent mapping

of these polluted waters. In order to better illustrate the extent and seriousness of water pollution problems around the country, EPA prepared, in April of this year, an atlas of State maps that identify the polluted waters in each State. The maps are color coded to indicate the type of pollutant causing the pollution problem. And, bar charts show the types of pollutants impairing stream/river/coastal miles and lake/ estuary/ wetland acres.

Report on America's Liquid Assets

EPA recently issued a new report, *Liquid Assets 2000, America's Water Resources at a Turning Point*. This report highlights the importance of clean water to the nation's economy and describes how Americans pay for dirty water. Some of the findings of the report include --

- < A third of all Americans visit coastal waters each year, making a total of 910 million trips, while spending about \$44 billion.
- < Water used for irrigating crops and livestock helps American farmers produce and sell \$197 billion worth of food and fiber.
- < Every year, the Great Lakes, Gulf of Mexico, and other coastal areas produce more than 10 billion pounds of fish and shellfish.
- < Manufacturers use about nine trillion gallons of fresh water every year. The soft drink manufacturing industry alone uses more than 12 billion gallons of water annually to produce products valued at almost \$58 billion.
- < A Money magazine survey found that clean water and clean air are two of the most important factors Americans consider in choosing a place to live.

Our economy depends on clean water; we all pay when it is polluted.

Contamination of drinking water means higher health risks and increased treatment costs. Closed beaches and contaminated rivers mean lost revenue for local businesses that serve tourists, anglers, and recreationists. Swimmers at polluted beaches and lakes face possible health threats from viruses and bacteria. Each year Americans pay for dirty water:

- < In 1998 about one-third of the 1,062 beaches reporting to the EPA had at least one health advisory or closing.
- < In 1998 2,506 fish consumption advisories or bans were issued in areas where fish were too contaminated to eat.
- < Currently EPA estimates that at least a half-million cases of illness annually can be attributed to microbial contamination in drinking water.
- < The toxic microbe *Pfiesteria piscicida* has killed millions of fish in North Carolina

since 1995 and tens of thousands of fish in Maryland in 1997. Losses to the U.S. seafood and tourism industries from *Pfiesteria* are estimated at \$1 billion. Maryland alone suffered \$43 million in canning and fishing losses in a single year. North Carolina is now spending millions of dollars for watershed restoration in an effort to control potential outbreaks in the future.

Economic Analysis

Several members of Congress have suggested that EPA did not conduct an adequate assessment of the cost of the TMDL regulation. As you know, Mr. Chairman, cost assessments of proposed regulations are strictly governed by statute and by Executive Order.

In compliance with these requirements, EPA described the incremental costs of the proposed regulation. We did this work carefully and fully, in compliance with applicable guidelines. EPA is working with States and others to define the overall costs of administering the TMDL program, including both the base program costs and the incremental costs of the new regulations. EPA is committed to providing an estimate of these costs in conjunction with promulgation of the final TMDL regulations.

Many commenters on the proposed revisions to the TMDL regulations indicated an interest in EPA's estimate of the overall costs of implementing the TMDL program and restoring the Nation's polluted waters.

It is important to note that several provisions of the Clean Water Act call for attainment of water quality standards adopted by States. Notably, section 301(b)(1)(C) of the Act requires that all discharge permits include limits as necessary to meet water quality standards. The TMDL process does not drive the commitment to meet water quality standards. Rather, it provides a comprehensive framework for identifying problem areas and allocating pollution reductions necessary to fix problems among a

wider range of pollution sources (i.e. not just point sources).

EPA recognizes that the TMDL process imposes some administrative costs for States, communities and pollution sources. We believe, however, that these administrative costs could be largely offset by the significant savings to be achieved over the next decade as a result of the TMDL process. By bringing all sources of pollution in a watershed together, the local community and the State can work together to evaluate various approaches to achieving needed pollution reductions. For example, the cost to remove a pound of a given pollutant may be high for some sources and low for others.

The TMDL process lays out these considerations and lets the local community decide how to meet its clean water goals. EPA expects many communities to opt for cost-effective approaches, many of which rely on low cost controls over nonpoint sources.

Under the final revisions to the TMDL rules to be published this summer, opportunities for shifting pollution control responsibility from high cost point source controls to lower cost controls over nonpoint sources will be greatly enhanced. Under the new rules, States and EPA will be able to defend point source permits that alone will not result in attainment of water quality standards because the TMDL must provide a reasonable assurance of implementation of other needed pollution reductions.

Under the TMDL rules in effect today, reasonable assurance is not a necessary element of a TMDL and cost effective sharing of pollution reductions is much less likely. As I have testified, reasonable assurance of implementation can be established based on voluntary and incentive-based programs.

OPPOSITION TO H.R. 4502

Mr. Chairman, the Administration strongly opposes H.R. 4502 because it would delay final TMDL regulations by at least three years, and perhaps much longer.

Provisions of H.R. 4502 call for a study of the scientific basis for the TMDL program. While there are technical issues associated with the development of TMDLs, many of the essential scientific bases for developing TMDLs and restoring polluted waters are already available. There is no need for a review of this science by the National Academy of Sciences. In addition, other objectives of the study, such as assessments of total costs of meeting water quality standards, are questions that the National Academy of Sciences is not best suited to answer.

Finally, section 4 of H.R. 4502 would prevent the finalization of TMDL regulations until the completion of the study by the National Academy of Sciences. The Administration is strongly opposed to this provision of the bill.

Enactment of this proposal could result in the effective shut-down of the TMDL program in many States as they and other parties defer work on TMDLs until the comprehensive studies mandated by Congress are completed. Sadly, Congress would be telling thousands of communities across the country that are eager to get to work restoring the over 20,000 polluted waters to stand down -- to pack up their clean water plans and put them into the deep-freeze for the foreseeable future while a panel of scientists meets here in Washington, behind closed doors, for almost two years, to write a report.

Many States have strong public confidence in their TMDL programs and expect to work cooperatively with the public in listing polluted waters and developing TMDLs.

State efforts to meet commitments to the public to run effective TMDL programs would be hampered because many affected pollution sources could cite the Congressionally-mandated national study as a reason to delay any action on TMDLs before release of the study and subsequent revision of the rules. Public confidence in the TMDL process could be seriously eroded.

Citizens may step-up efforts to seek court orders to complete lists of polluted waters and TMDLs. Without final regulations to guide EPA and State efforts to implement the TMDL program, courts could issue detailed judicial guidance for the TMDL program.

I hope, Mr. Chairman, that I can convince you and other Members of Congress that we do not need to postpone any longer these important improvements to the TMDL program. We have a solid legislative foundation in the Clean Water Act. We have a good TMDL program that will be even better with the revisions to the program regulations that we will finalize this summer. Most importantly, people all over the country want to get to work restoring polluted rivers, lakes, and coastal waters, and they want to start now.

CONCLUSION

The 1972 Clean Water Act set the ambitious -- some thought impossible -- national goal of fishable and swimmable waters for **all** Americans. At the turn of the new millennium, we are closer than ever to that goal. Today, we are able to list, and put on a map, each of the 20,000 polluted waters in the country. And, we have a process in place to define the specific steps to restore the health of these polluted waters and to meet our clean water goals within the foreseeable future.

It is critical that we, as a Nation, rededicate ourselves to attaining the Clean Water Act goals that have inspired us for the past 25 years. The final revisions to the TMDL regulations will draw on the core authorities of the Clean Water Act, and refine and strengthen the existing programs for identifying and restoring polluted waters.

Mr. Chairman, I consistently hear from critics of the TMDL program that it is more of the old, top-down, command-and-control, one-size-fits-all approach to environmental protection. In fact, the TMDL program offers a vision of a dramatically new approach to clean water programs.

This new approach focuses attention on pollution sources in proven problem areas, rather than all sources. It is managed by the States rather than EPA. It is designed to attain the water quality goals that the States set, and to use measures that are tailored to fit each specific waterbody, rather than imposing a nationally-applicable requirement. And, it identifies needed pollution reductions based on input from the grassroots, waterbody level, rather than with a single, national, regulatory answer. In sum, we think we are on the right track to restoring the Nation's polluted waters.

The final revisions to the existing TMDL regulations will support and improve the existing TMDL program and they will be responsive to many of the comments we have heard from interested parties.

Thank you, for this opportunity to testify on EPA's efforts, in cooperation with States and other federal agencies such as the Department of Agriculture,¹ to restore the Nation's polluted waters. I will be happy to answer any questions.

* * *