Mr. Chairman, and distinguished members of this committee. I have the honor and pleasure to appear before you today as the nominee to be EPA’s new Deputy Administrator. I am delighted that President Bush and Governor Whitman have invited me to become a member of their environmental team. I believe I am uniquely qualified to support that team, and contribute to the environmental and human health improvements that are a major goal of the Bush Administration.

President Bush and Governor Whitman are committed to continuing the tradition of strong environmental progress that has marked this country’s history for the past 30 years. I am committed to it as well.

The American people are overwhelmingly supportive of a strong government role in protecting the environment. The Environmental Protection Agency has met that role with remarkable energy and enthusiasm in the past, and I am confident EPA will continue to serve the American people with distinction under the Bush Administration. The American public trust EPA to protect their families,
communities, and the land, air, and water where they live. I understand the enormous responsibility that comes with that trust, and I will do everything in my power to make sure those responsibilities are met.

To this end, I believe my previous experience at EPA will be of great benefit. As you know, for ten years I served in several management positions at EPA. During that time I witnessed first-hand the personal dedication of EPA’s career staff. I saw the importance of bringing the best possible science to bear on difficult policy questions. I saw the critical need for solid economic analysis as a bedrock support for environmental decisions. I learned the importance of a strong enforcement program to the credibility of the Agency’s programs. I had the opportunity to work in a spirit of collegiality with Members of Congress in order to attain our shared environmental goals. I grew to understand the importance of involving the public in our decision-making. This experience at EPA - and what I learned from it - will help me meet the challenges that face every EPA Deputy Administrator, and will help me provide more capable service to Governor Whitman, President Bush, and – most important – to the American people.

At the same time, I understand that environmental issues have evolved a great deal since I left EPA. Numerous, widely dispersed, and smaller sources of pollution are in some places the cause of the most serious environmental problems.
New problems, like climate change, have moved to center stage. For these new

and emerging problems, the Agency’s traditional regulatory approaches, so critical
to bringing about past successes, may not be the most efficient or effective
response.

For these reasons EPA is changing, too. The Agency today is testing a
broader array of regulatory and non-regulatory tools to meet new environmental
challenges. For example, over the past decade environment-related economic
incentives have proliferated at the federal, state, and local levels. Whether they take
the form of environmental fees and charges, deposit-refund systems, marketable
permits, information systems, or other voluntary programs, economic incentives
have shown that they can make a unique, effective, and low-cost contribution to the
nation’s environmental efforts. Under Governor Whitman’s leadership, EPA will
expand the use of economic incentives to help solve both ongoing and emerging
environmental problems.

For the last several years EPA also has undertaken a number of pilot projects
to test innovative ways of streamlining the regulatory system, making it more
flexible, and cutting red tape. State governments as well – in New Jersey, for

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example – have taken the lead in testing promising new ways of controlling pollution from point sources. President Bush and Governor Whitman want to shape EPA to meet the environmental challenges of the 21st century by integrating into the Agency’s whole structure and culture the best new ideas for protecting the environment. Therefore, over the next few months we’re going to take a hard look at these bold experiments, and identify what works, what doesn’t work, and why. And then in partnership with the states, we will integrate, where appropriate, the most effective ideas throughout our programs.

Part of our incentive for incorporating innovation throughout EPA is being driven by the business community, which – like EPA – is also changing to meet the challenges of the future. More than ever before in our history, many businesses are recognizing their role as stewards of the environment. They recognize that corporate environmental stewardship and social responsibility are increasingly essential if they are to operate successfully in the global market place. It is important to attracting the best employees, it strengthens their relationships with their communities, and it builds a more positive relationship with their customers and shareholders. More and more businesses today are forming voluntary partnerships not only with EPA and state regulatory agencies, but also with non-governmental organizations, here and abroad. Encouraging and strengthening those
partnerships with the public, with the states and with the private sector to achieve more voluntary action, will be one of my goals at EPA.

If tomorrow’s EPA is to fully and successfully incorporate the kinds of innovations I’ve mentioned today – innovations like economic incentives, streamlined and flexible regulatory systems, and voluntary partnerships, then tomorrow’s EPA employees will need different kinds of skills and training. Yet EPA today is facing serious human resource issues. For example, 50 percent of our senior leadership may retire within the next five years. Developing a diverse, well-trained workforce that is well prepared to meet new environmental challenges with a broader array of creative, more flexible tools, may be one of the most difficult problems facing our new management team at EPA, and one that I intend to be personally involved with.

I would like to say a final word about the global environment. More and more, US companies are operating in the global market place. My experience in the private sector, working to forge global acceptance of bioengineered agricultural products, showed me the global dynamic of many environmental issues today. Problems as broad as climate change and as focused as pesticide residues are important to virtually all nations, and they affect virtually everyone on earth. How
this nation and other nations respond to the environmental issues

presented by worldwide economic growth and expanded global trade will directly affect not only our competitiveness, but also the quality of our global environment.

Therefore, we must work in concert with other governments if we are to attain our mutual environmental and economic goals. During my term as EPA Deputy Administrator I will support Governor Whitman and the rest of EPA as we join in partnership with countries to solve problems that affect this precious planet that we all share.

Thank you very much. I will be happy to answer any questions you may have.