

US EPA ARCHIVE DOCUMENT

**STATEMENT OF  
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BEFORE THE  
SUBCOMMITTEE ON WATER RESOURCES AND ENVIRONMENT  
COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE  
U.S. HOUSE OF REPRESENTATIVES**

**February 26, 2004**

**INTRODUCTION**

Good morning, Mr. Chairman and Members of the Subcommittee, I am Ben Grumbles, Acting Assistant Administrator for Water at the United States Environmental Protection Agency (EPA). I appreciate the opportunity to be here today to speak to you about the President's fiscal year (FY) 2005 budget request for EPA's water programs an amount totaling over \$2.9 Billion, or 38% of the Agency's overall request.

The President's budget request provides funding for the Office of Water to help carry out our mission of protecting human health and the environment. With this FY 2005 budget request, EPA places particular emphasis on making greater progress in achieving and maintaining water quality through monitoring, conservation, and restoration. As Administrator Leavitt said at a recent budget briefing, "The challenge of the next decade is to take the giant leap forward in the velocity of environmental progress and to stay competitive as a nation as we do it." This budget allows EPA to continue enhancing our core water programs through collaboration with our Federal, State, Tribal, and non-governmental partners and through innovative approaches such as water quality trading and water efficient product labeling.

**PRIORITIES**

Since enactment of the Clean Water and Safe Drinking Water Acts, we have worked together at all levels to make significant progress in improving the quality of surface waters and the safety of drinking water. Despite improvements, serious water pollution and drinking water problems remain. At the same time, population growth continues to result in increased water pollution, and in greater demands on wastewater and drinking water systems. Through collaboration, science and technology, and results-oriented and market-based approaches, we can maintain the success of the past 30 years and accelerate the progress over the next generation.

EPA, the States, and Tribes work together to achieve safe sources of drinking water, edible fish, swimmable beaches, and healthy watersheds. For every waterbody, the building blocks necessary to achieve water quality goals in that waterbody are the same: setting appropriate standards; monitoring; assessment; planning; implementation, including permitting; and reevaluation through more monitoring. The success of any one of these essential activities depends on the quality with which the other activities are performed.

In FY2005, the President continues the commitment to long-term funding for infrastructure improvements and to address the infrastructure gap. EPA is requesting \$850 million for the Clean Water State Revolving Fund (CWSRF). EPA continues its commitment to extend the CWSRF funding through FY2011, which will result in a long-term revolving level of \$3.4 billion. The President also proposes to extend Federal support for the Drinking Water State Revolving Fund (DWSRF) so that it can revolve at a higher projected level of \$1.2 billion per year, even after Federal capitalization ends. Addressing the infrastructure gap will also require actions and innovations to reduce

demand for infrastructure. The President's budget proposes a water product labeling program that will reduce water demand and wastewater flows by promoting the recognition of water-efficient products.

The President's request also includes a strong watershed-based focus with additional funding for water quality monitoring, the Great Lakes, and the Chesapeake Bay through targeted watershed grants. EPA's Office of Water will give priority to actions and partnerships that advance monitoring, conservation and restoration.

### **Water Quality Monitoring**

EPA's fiscal year 2005 request will be the first step toward solving the well-documented shortcomings of the Nation's water quality monitoring. The most cost-efficient, practical means of making the most of scarce resources is information-based management that uses tools such as prevention, source water protection, watershed trading, and permitting on a watershed basis. Monitoring is the foundation for information-based environmental management. It is imperative that we close data and information gaps since such gaps: lead to market and regulatory failures, thwart our ability to document progress, and limit our ability to effectively target our scarce resources. Without adequate monitoring data, the managers of water programs cannot: accurately inform the public about the condition of the Nation's waters; make wise management decisions; demonstrate the success or failure of those programs; or verify that resources are being used cost-effectively. Federal, State, and local monitoring data are essential for States to carry out their responsibilities for Clean Water Act requirements.

Increased funding for water quality monitoring will provide critical data for States and others to: make accurate watershed-based decisions; develop appropriate standards and total maximum daily loads (TMDLs); and, accurately and consistently portray conditions and trends. The largest component of the FY2005 water quality monitoring request is \$17 million for States through Clean Water Section 106 grants; these funds will be specifically targeted for water quality monitoring activities. In addition to the \$17 million to assist States and Tribes, EPA is requesting \$3 million for the Agency to enhance water quality data systems and technical assistance and guidance to our partners.

### **Great Lakes**

The Great Lakes, which include Superior, Michigan, Huron, Erie and Ontario, are an important part of the physical and cultural heritage of North America. Spanning more than 750 miles from west to east, these vast inland freshwater seas have provided water for consumption, transportation, power, recreation and a host of other uses. Today the Great Lakes basin is home to more than one-tenth of the population of the United States and one-quarter of the population of Canada. Some of the world's largest concentrations of industrial capacity are located in the Great Lakes region. In spite of their large size, the Great Lakes are sensitive to the effects of a wide range of pollutants. The sources of pollution include the runoff of soils and farm chemicals from agricultural lands, the waste from cities, discharges from industrial areas and leachate from disposal sites. Contaminated sediments are a significant problem in the Great Lakes basin. Although discharges of toxic substances to the Great Lakes have been

reduced in the last 20 years, persistent high concentrations of contaminants in the bottom sediments of rivers and harbors have raised considerable concern about potential risk to aquatic organisms, wildlife, and humans. As a result, advisories against fish consumption are in place in most locations around the Great Lakes. The problem harbor and tributary areas in the Great Lakes basin have been identified and labeled as “Areas of Concern” (AOCs), with 31 of these AOCs located on the U.S. side of the Great Lakes.

To address the problem of contaminated sediment in the Great Lakes, the Great Lakes Legacy Act was passed in 2002. In support of the Great Lakes Legacy Act, which this Committee developed and advanced, EPA’s FY 2005 request includes \$45 million in funding for contaminated sediment cleanup activities. In FY 2005, the Agency plans to begin cleanup on six new sites, which will lead to the remediation of over a quarter million cubic yards of contaminated sediments.

In addition to the request for the cleanup of sediment in the Great Lakes, EPA is proposing an additional \$3 million for Lakewide Management Plans and Remedial Action Plans, bringing the total for these activities to \$5.7 million. This will help initiate projects to restore impaired beneficial uses at Great Lakes Areas of Concern and will support State and local governments in their development and implementation of Great Lakes restoration plans.

### **Chesapeake Bay and Targeted Watersheds**

As the largest estuary in the United States and one of the most productive in the world, the Chesapeake Bay was this nation’s first estuary targeted for restoration and

protection. The Chesapeake Bay Program is a unique regional partnership leading and directing restoration of the Chesapeake Bay. EPA's mission is to lead and empower others to protect and restore the Chesapeake Bay ecosystem for future generations. The Bay Program is working on three priority areas identified by scientists as needing immediate attention – nutrient over-enrichment, dwindling underwater Bay grasses and toxic pollution. In recognition of this incredible natural resource, the FY2005 budget request includes additional funding for the Bay through the Targeted Watershed Grant program.

The Targeted Watershed Grant program will enter its third year supporting competitive grants to watershed stakeholders ready to undertake immediate action to improve water quality and to improve watershed protection measures. The Targeted Watershed Grants program has the strong support of hundreds of State and local watershed groups across the country. In its first year (FY'03), EPA invited Governors and Tribal Leaders to nominate their most meritorious watersheds with protection or restoration plans. In response, EPA received an impressive 176 nominations including projects in every State, Puerto Rico and the Virgin Islands. Of these, EPA awarded grants for 20 excellent watershed restoration projects throughout the country – from Maine to Hawaii. This year EPA is requesting an additional \$5 million for a total of \$25 million for targeted watershed grants in FY05. Of this total, \$10 million will be set-aside for a new regional pilot program. For 2005, the pilot will take place in the Chesapeake Bay watershed, and will focus on helping publicly-owned treatment works (POTWs) reduce nutrient discharges to the Bay through nonpoint source projects.

Targeted Watershed grants will also provide an opportunity to demonstrate the effectiveness of market-based approaches, such as water quality trading. Within the \$25 million provided for these grants, there will be a \$4 million set-aside for projects that focus on water quality trading. Pilot projects will offer the opportunity to establish new criteria by which to judge the effectiveness of various approaches. A key area for investigation will be that of cost savings; information collected from trading projects suggest that the cost savings can be significant. Trading among point sources in Connecticut is expected to save over \$200 million dollars in reducing nitrogen loads to Long Island Sound over a 14-year period. After its first year, the Connecticut program has achieved more nitrogen reductions than expected and cut nearly six years off the projected timeline for meeting water quality standards.

### **Permitting**

The FY2005 President's Budget provides additional funding over our FY2004 request to help address water quality issues. In recent years the authorized State NPDES programs have been the object of an increasing number of withdrawal petitions, citizen lawsuits, and independent reviews suggesting potential noncompliance with Federal CWA requirements. In addition to these challenges, the universe of facilities has increased ten-fold due to new program requirements to permit Concentrated Animal Feeding Operations (CAFOs) and additional sources of storm water. To assist States with the increasing permitting workload, EPA is requesting a \$5 million increase for Clean Water Section 106 grants.



### **Wetlands**

The Administration is committed to a regulatory program aimed at no net loss of wetlands and towards initiatives and partnerships to improve their overall condition. The Agency is investing \$20 million to help State and Tribal partners implement more effective wetland programs, including those that protect wetlands and waters not covered by the Clean Water Act. Working with States, the Army Corps of Engineers, and other partners, we will build our capacity to measure wetland function and condition, as well as wetland acreage.

### **State and Tribal Performance Fund**

The Administration believes that the best way to ensure strong, effective programs is to promote accountability, competition, and performance. The President's Budget includes a new \$23 million State and Tribal Performance Fund that will award grants on a competitive basis for environmental programs. These funds will allow States and tribes that can link their proposed activities to public health and environmental outcomes to receive additional assistance. EPA expects that water activities will receive a significant portion of these funds, and we are pleased to be able to provide States and tribes with another tool to protect and restore the environment.

### **CLOSING**

In FY2005 EPA will continue taking a watershed approach to environmental protection. This approach calls for setting watershed goals, assessing conditions,

determining the sources of concern, addressing them using regulatory and voluntary tools, and then reevaluating and adapting plans as new information becomes available. By focusing and integrating the work of EPA with other Federal agencies, States, Tribes, local governments, business and nonprofit organizations in watersheds, we are able to pool information, resources and authorities and focus our collective energies on our common environmental objectives. In watersheds, we can better understand the cumulative impact of activities, determine the most critical problems, better allocate limited financial and human resources, engage stakeholders, win public support, and make real improvements in the environment.

The Water Program has joined other agencies in successfully promoting this watershed approach as a way of integrating and focusing our efforts on environmental results for several years. Our "Adopt Your Watershed" database now reports the existence of nearly 4,000 watershed groups across the country. Yet, we have learned through program evaluations that our watershed partners do not always have the CWA products they need to work efficiently and effectively (appropriate standards, monitoring, assessments, appropriate plans, up-to-date permits). With the strengthening of these core building blocks, EPA will have a better chance at succeeding with important program innovations that focus on managing water resources at the watershed level, including trading, watershed permitting, and watershed-based TMDLs.

In conclusion, I look forward to working with the Subcommittee to address the needs of the water programs entrusted to EPA. The President's request supports the Office of Water's work and will allow us to continue to improve the protection and investment in water infrastructure as well as strengthen the core programs that are so

vital to the improvements that we have achieved and will continue to achieve in the quality of our surface and drinking waters.

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