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**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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Mr. Chairman and Members of the Subcommittee, I am Ben Grumbles, Assistant Administrator for Water at the United States Environmental Protection Agency (EPA). Thank you for the opportunity to discuss the President's fiscal year (FY) 2007 budget request for EPA's National Water Program. The budget request is over \$2.7 billion, or 37 percent of the Agency's overall budget request, and will advance our efforts, and those of our State, Tribal, and local partners, to help ensure that America's water is clean, safe and secure.

Over the past year, the EPA has made considerable progress in: improving water monitoring; reporting and collecting information; achieving gains in wetlands quality and quantity; restoring impaired watersheds and coastal waters; and, advancing sustainability in water infrastructure. We are measuring progress, but still have much important -- and challenging -- work ahead of us to address with our partners. EPA is committed to accelerating environmental protection while maintaining our economic competitiveness, and this budget provides the tools and resources to do so.

Our programs can work even more effectively than they do today. We expect to be held accountable for spending the taxpayers' money more efficiently and effectively every year. To assist you, the Administration launched ExpectMore.gov, a website that provides candid information about programs that are successful and programs that fall short, and in both situations, what we are doing to improve performance next year. I encourage the members of this Committee and those interested in our programs to visit ExpectMore.gov, see how we are doing, and hold us accountable for improving.

Sustainable Infrastructure

Over the past 20 years, communities have spent more than \$1 trillion (in 2001 dollars)¹ on drinking water treatment and supply and wastewater treatment and disposal. However, America's infrastructure systems are aging. Much of it was constructed in the period following World War II and will be reaching the end of its useful life in the next 20-40 years. The Agency has approached this challenge of keeping pace with infrastructure needs of the future by focusing on "Four Pillars of Sustainable Infrastructure" – better management, water efficiency, full cost pricing, and the watershed approach. In FY 2007, EPA will build upon those pillars using the tools of technology, innovation, and collaboration. We are also aggressively investigating innovative, market-based financing to help communities ensure adequate funding for sustainable infrastructure.

¹ The Clean Water and Drinking Water Infrastructure Gap Analysis.
(<http://www.epa.gov/safewater/gapreport/pdf.>)

In an effort to promote “better management,” EPA, in collaboration with leading constituent associations, is encouraging more utilities to adopt sustainable management practices. We are also finalizing a new voluntary program to enhance the market for water-efficient products that is modeled after the highly successful Energy Star program. This program is expected to provide a foundation upon which local utilities can build their own water efficiency activities, in the same way that Energy Star has served as a foundation for many successful local energy efficiency programs.

The 2007 President’s Budget also supports the use of science and data by requesting \$7 million for a Water Infrastructure initiative. These funds will provide EPA with resources to conduct a major research effort to reduce the cost of operating, maintaining, and replacing old drinking and wastewater systems.

This budget request also continues the Administration’s commitments to the Clean Water and Drinking Water State Revolving Funds (SRFs). The Budget provides \$688 million for the Clean Water SRF, keeping the program on track to meet the cumulative capitalization commitment of \$6.8 billion for 2004-2011. This funding level will allow the Clean Water SRF to provide \$3.4 billion in loans annually, even after Federal capitalization ends, and will ensure communities have access to capital for their wastewater infrastructure needs.

The Budget proposes \$841.5 million for the Drinking Water State Revolving Fund, a \$4 million increase over the 2006 enacted level. This request keeps the Administration’s commitment to provide sufficient capitalization grants

to allow the Drinking Water SRF to provide \$1.2 billion annually, even after Federal capitalization ends.

Clean Water

The Agency is requesting \$192 million in the FY 2007 budget for the Surface Water Protection Program, which will allow us to continue to set water quality standards and improve water quality on a watershed basis through the implementation of TMDLs for impaired waters, the National Pollutant Discharge Elimination System (NPDES) programs for point source control, and nonregulatory incentives for nonpoint source (NPS) control. The Agency will collaborate with State and Tribal partners to continue supporting the monitoring initiative begun in 2005. We will build on the 2004 National Coastal Condition Report and the not-yet-released 2006 Wadeable Streams study, with a report on baseline conditions of lakes due at the end of 2008. Through the Section 106 grant program, \$18.5 million will be designated for States and Tribes that participate in collecting this statistically-valid water monitoring data. With a \$194 million request, the Section 319 Nonpoint Source program will retain its focus on implementing watershed plans to restore water quality in NPS-impaired waters with the longer-term goal of remediating 250 primarily NPS-impaired waters by 2008 so that they meet water quality standards. Mr. Chairman, we are also fully committed to market-based mechanisms such as trading for water quality improvement. Over the last three years, we have placed a priority on trading as a way to engage nonpoint sources and point sources to accelerate restoration of

impaired waters. That emphasis on results-oriented, market-based trading and watershed-permitting will continue to grow.

Water Security

To assist the nation's water sector in adopting active and effective security programs that reduce the risk from terrorist acts or other catastrophic events, the FY 2007 budget requests \$53 million for water security. This request continues support for the WaterSentinel initiative, which addresses key vulnerabilities in our nation's critical drinking water infrastructure. The purpose of WaterSentinel is to design and demonstrate an effective system for timely detection and appropriate response to drinking water contamination threats and incidents through pilot programs. To complement this detection program, the FY 2007 budget also requests continued support for the Water Alliance for Threat Reduction, which provides classroom training, tabletop exercises, and technical assistance to our nation's drinking water systems operators to enhance their ability to prevent, respond, and recover from a terrorist act or natural catastrophe.

Great Lakes

The Great Lakes basin, one of the largest watersheds on the continent, holding 20 percent of the world's surface freshwater, is home to more than one-tenth of the population of the United States and one-quarter of the population in Canada. On December 12, 2005, a "Strategy to Restore and Protect the Great Lakes" was released as an outcome of the collaboration of a cabinet-level

Interagency Task Force and a “Regional Collaboration of National Significance” established by the President’s Executive Order on the Great Lakes. Key priorities of this Strategy include the prevention and control of invasive species, improving infrastructure, and cleaning up Areas of Concern, of which contaminated sediments contribute to many impairments. The Great Lakes Interagency Task Force has committed to 48 specific actions to accelerate the protection and restoration of the Great Lakes basin, using the Regional Collaboration Strategy as a guide.

In FY 2007, the President’s Budget requests \$70 million, including approximately \$50 million for sediment remediation and related work under the Great Lakes Legacy Act, allowing for four to six projects and the remediation a half-million cubic yards of contaminated sediment.

Wetlands

Our FY 2007 request reflects our continuing commitment to the goal of increasing the quantity and quality of the Nation’s wetlands and includes a \$17 million request for wetlands program development grants, a \$1 million (7%) increase over the 2006 enacted budget. The need to restore and protect wetlands was underscored by Hurricane Katrina, whose damage to the Gulf Coast was exacerbated by the historical loss of protective coastal wetlands.

On Earth Day 2004, the President announced his commitment to restore, improve, and protect three million acres of wetlands by 2009. EPA is committed to this effort and has requested an increase of \$1.6 million in additional support

for wetlands protection activities. In FY 2007, EPA will work with its State and Tribal partners to field-test broad-based and integrated monitoring and assessment programs that: improve data for decision-making on wetlands within watersheds, address significant stressors, report on the condition of wetlands, and geo-locate wetlands on the landscape. EPA will work to achieve national gains in wetland acreage by implementing an innovative partner-based wetland and stream corridor restoration program.

Chesapeake Bay

The Agency's FY 2007 Budget requests \$26 million for Chesapeake Bay, an increase of \$4 million, for improving water quality, overall protection, and restoration of the Chesapeake Bay and its tributaries. The Corsica River pilot program, designed by Maryland, anticipates a joint desired result of 200 acres of forested buffers, 50 acres of restored wetlands, 2 miles of restored stream channel, 10 acres of submerged aquatic vegetation (SAV) restored, and 20 acres of oyster beds restored. In continuing current significant program activities, it is anticipated that the 2007 President's Budget request will help the Agency make progress towards the Chesapeake Bay-wide long-term goals.

Good Samaritan

Also, I am excited about the Good Samaritan initiative that the Administrator announced in August 2005. EPA's Good Samaritan Initiative is designed to remove legal barriers that have discouraged the cleanup of

watersheds threatened by abandoned mine runoff. In the United States, it is estimated that more than a half-million abandoned mine sites may be polluting our waterways. These problematic abandoned mines are on private and public land and those responsible for the pollution are long since gone. While there have been groups and local communities willing to take on the restoration of these watersheds, the potential liability of touching the sites has long discouraged voluntary cleanup efforts. This EPA program will provide volunteer, nonprofit organizations with protection and certainty to help restore watersheds, and inspire others to do the same elsewhere. EPA pledges to work with Congressional and State partners on legislation to remove potential legal obstacles for Good Samaritan cleanups.

Conclusion

Mr. Chairman, the FY 2007 budget request emphasizes sustainability and stewardship. We believe that -- in partnership with Congress and others -- we can make significant progress in sustaining infrastructure and protecting watersheds.

This concludes my prepared remarks; I would be happy to respond to any questions you may have at this time.

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