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**TESTIMONY OF
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BEFORE THE
SENATE APPROPRIATIONS COMMITTEE
UNITED STATES SENATE**

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Madam Chairman and Members of the Committee, I am delighted to appear before you today to discuss how the proposed FY 2010 Budget request for the Environmental Protection Agency is designed to address our environmental challenges and contribute to the country's economic recovery.

The President requests \$10.5 billion for FY 2010 to carry out EPA's mission to protect human health and safeguard and improve the environment. This budget represents a 37 percent increase over our FY 2009 Budget -- the highest level ever for EPA. It reflects both the challenges and promise we face in an era of higher energy costs, global climate change, and economic crisis. We recognize that now is the time to make the environmental investments to support a cleaner energy economy and a more sustainable future.

This budget starts the work needed to transform our economy through investment in cutting-edge green technologies, repairing crumbling infrastructure and strengthening our core regulatory and scientific capabilities to make the Nation's water, air, and land cleaner for our communities, families, and children. This budget keeps EPA on the job protecting the environment. It helps states, tribes, and local governments stay on the job by providing critical partnership assistance. And, it helps put Americans back on the job.

The FY 2010 budget request provides a substantial increase for EPA programs, reflecting greater opportunity for EPA to address public health and environmental challenges that can no longer be postponed, in areas such as water infrastructure, protecting our freshwater resources, laying the foundation to address climate change, and addressing gaps in research as well as chemical management.

This FY 2010 budget reflects President Obama's commitment to usher in a new era in environmental stewardship and puts us on a clear path to a cleaner and safer planet.

Mr. Chairman and Members of the Committee, I now would like to provide a bit more detail about the major environmental protection priorities addressed in this budget.

Invests in Water Infrastructure

The most significant investments in the FY 2010 budget include \$3.9 billion total for the Clean Water and Drinking Water State Revolving Funds to fund water infrastructure projects for states, tribes, and territories. This budget includes \$2.4 billion for the Clean Water State Revolving Fund and \$1.5 billion for the Drinking Water State Revolving Fund. These investments will help the Nation build, improve, and repair the infrastructure that provides us with reliable and safe sources of water.

We estimate that this 157 percent funding increase in the State Revolving Funds will finance 1,000 clean water and 700 drinking water projects across America – projects that will upgrade and update the nation's aging water infrastructure, assure compliance with Safe Drinking Water Act requirements, make water delivery more efficient, and create American jobs that pay well. These investments channel critical funding for water system pipe replacements

and help address an estimated 240,000 water pipe breaks that occur across America each year and waste millions of gallons of water.

The Clean Water and Drinking Water State Revolving Funds provide grants to states to capitalize their own revolving funds, providing infrastructure financing to communities, making water infrastructure more efficient, and supporting green jobs in the 21st century. Because repayments and interest are recycled back into the program, these State Revolving Funds generate funding for loans even without Federal capitalization. We estimate that for every Federal dollar invested, approximately two dollars in financing are provided to municipalities.

The Administration will make these water investments with an eye to the future. EPA will continue to work with state and local partners to develop sustainability policies, including management and pricing, conservation, planning adequate long-term funding for future capital needs, and providing equitable consideration of small system customers. As President Obama has said, now is the time to make long overdue investments in clean energy and new infrastructure to create a platform for entrepreneurs and workers to build an economy that will lead us into a better future. This significant investment sends a clear message to American taxpayers that the water infrastructure, that all of us rely on every day, will be repaired, maintained, and modernized for the 21st century.

Accelerates Great Lakes Restoration

The Great Lakes Basin is a national resource treasure that is home to 34 million people in the U.S. and Canada. It holds 20 percent of the world's fresh surface water, has 10,000 miles of coastline, and contains a diverse array of biological communities. EPA's FY 2010 budget

requests \$475 million for Great Lakes restoration programs and projects that strategically target the most significant problems in the region, such as aquatic invasive species, nonpoint source pollution, toxics in sediment, and habitat and species loss.

This restoration effort represents the federal government's commitment to significantly advance Great Lakes protection. The Great Lakes Initiative will use outcome-oriented performance goals and measures to target the most significant problems and track progress in addressing them. EPA and its Federal partners will coordinate state, local, tribal, and industry actions to protect, maintain, and restore the chemical, biological, and physical integrity of the Great Lakes.

In the FY 2010 budget we include other geographic priorities, such as Puget Sound, San Francisco Bay, and the Chesapeake Bay. The Chesapeake Bay restoration effort is funded at \$35 million, a \$4 million increase over FY 2009, and will support projects to further address nutrient and sediment pollution in the Bay.

Initiates a Comprehensive Approach to Slow Global Warming

EPA's FY 2010 Budget supports efforts to develop a comprehensive energy and climate change policy to increase energy independence, move toward a greener economy and to reduce greenhouse gas emissions. There is not a moment to lose in confronting the rapid advance of climate change.

Greenhouse Gas Emissions (Cap and Trade Program)

The FY 2010 Budget includes a \$19 million increase to support the President's effort to develop a comprehensive energy and climate change plan to transition America to a clean energy economy, reduce oil usage, and slow global warming. It will allow us to work on a greenhouse

gas emissions inventory and work with industry sectors to report high-quality greenhouse gas emission data that is the foundation of an effective climate policy. This funding supports design, development, and testing the data management system, developing guidance and training materials to assist the regulated community, conducting industry-specific workshops and developing source measurement technologies for greenhouse gases.

This budget provides funding to develop environmentally sound methodological approaches needed to implement a possible cap and trade program, including offsets, and to strengthen climate partnership programs. EPA will develop protocols to measure the effectiveness of offset projects, and provide advice on effective, environmentally sound approaches to offsets.

Chemical Risks

Just as we need to address climate change, we also need to manage chemical risks. The FY 2010 Budget requests \$55 million, an increase of \$8 million over FY 2009 levels, to fund an enhanced toxics program to screen, assess, and reduce chemical risks. This 17 percent increase will fulfill U.S. commitments under the Security and Prosperity Partnership of North America to complete screening-level hazard and risk characterization and initiate action as needed on more than 6,750 organic U.S. chemicals.

Research and Development

The Research and Development programs are funded at \$842 million for the Science and Technology appropriation, and increase of \$52 million from FY 2009. This funding will support the rigorous, peer-reviewed scientific analyses that we must use as a basis for our environmental

decisions. It will allow us to assess, develop and compile scientifically rigorous tools to inform decision-making and assist in incorporating green infrastructure into existing practices.

Computational Toxicology

The FY 2010 Budget includes a \$4.5 million increase over the FY 2009 enacted level for Computational Toxicology Research. This increase will enhance EPA efforts to provide regulatory offices with detailed hazard assessment profiles on thousands of chemicals of concern, as well as information on human exposure potential, including chemical screening and prioritization, and toxicity pathway-based risk assessment. This funding will also provide for the high-throughput screening of up to 200 additional chemicals and the deployment of this information in EPA databases with supporting analysis tools, via computer programs and EPA websites.

Integrated Risk Information Systems

The FY 2010 Budget includes \$14.5 million, a \$5 million increase over 2009, to enable the Integrated Risk Information System (IRIS) to increase assessment production and reduce our backlog of assessments for chemicals previously identified as priority needs.

Biofuels

The FY 2010 budget includes \$5.6 million, an increase of \$5 million over FY 2009, for biofuels research and sustainability analysis mandated by the Energy Independence and Security Act of 2007. Biofuels lifecycle and sustainability research will provide better information to

decision makers on the trade offs and opportunities associated with increased biofuels production.

Green Infrastructure Research

The FY 2010 budget provides \$3.6 million to expand green infrastructure research to assess, develop and compile scientifically rigorous tools and models that will be used by the Agency's water and other programs, states, tribes, and municipalities to help advance the deployment of green infrastructure. This research will help EPA and its non-Federal partners further their understanding of the benefits it provides, and aid in integrating green infrastructure into water pollution control programs at the Federal, state, and local level.

Air Toxics

I believe EPA has a particular duty to inform America's most vulnerable populations about the environmental risks we face. I recognize that for the nation's vulnerable populations – the disadvantaged, the elderly, children, and historically disadvantaged communities –are least able to bear additional increments of environmental risk.

Therefore, the budget also includes \$3.3 million for air toxics research to protect and improve the quality of the air that each of us breathes. Air toxics research studies the effects to human health of toxic air pollutants and includes evaluating risk assessment methodologies to support the development and implementation of regulatory programs that assist state and local governments and tribes develop clean air plans. The FY 2010 budget also supports improvement of risk assessment tools, including National-Scale Air Toxics Assessment; analytical support to

states as they enhance air toxics monitoring near selected schools, and 5 FTE in EPA's Regional offices to provide technical assistance and coordination.

These combined scientific efforts do more than build our understanding of environmental programs; they remind us all of the need for transparent, clear communication of the facts and risks of the environmental challenges we face together.

Strengthens Environmental Enforcement

EPA's FY 2010 budget proposes the largest enforcement and compliance budget in history -- \$600 million, an increase of \$32 million from last year. The \$600 million enforcement budget reflects the President's strong commitment to enforcing of our Nation's environmental laws and ensures that EPA has the resources necessary to maintain a robust and effective criminal and civil enforcement program. Specifically, the request includes an increase of nearly 30 additional positions primarily for civil and criminal enforcement. In addition, we will enhance efforts to integrate environmental justice considerations in EPA's programs and policies as well as fulfill environmental requirements with respect to other federal agencies' projects funded by the American Recovery and Reinvestment Act. Experience has shown that investing in our enforcement program yields tangible pollution reductions and fundamental behavioral change in the regulated community. The FY 2010 Budget will advance EPA's mission, and do so with unparalleled transparency. The success of our efforts depends on earning and maintaining the trust of the public we serve by upholding values of transparency and openness in conducting EPA operations.

Superfund

The \$1.3 billion Superfund budget contains an increase of \$24 million over FY 2009. Funding in the budget will enhance enforcement and removal work as well as support the Superfund program. The budget also includes a proposal to reinstate the Superfund tax that expired in 1995. Beginning in FY 2011, the taxes should generate \$1 billion a year, rising to \$2 billion a year by 2019 – all to fund needed cleanups across America. These efforts focus on ensuring that contaminated sites are ready to be returned to beneficial use by our communities.

Brownfields

The 2010 budget provides a total of \$175 million for the Brownfields program, a \$5 million increase from 2009. This includes \$149.5 million for Brownfields State and Tribal Assistance Grants to continue to provide Brownfields assessment, revolving loan fund, clean-up, and job-training grants. The Brownfields program is designed to help states, tribes, local communities and other stakeholders work together to assess, safely cleanup, and reuse Brownfields. Revitalizing these once productive properties helps communities by removing blight, satisfying the growing demand for land, helping limit urban sprawl, enabling economic development, and improving quality of life.

Leaking Underground Storage Tanks

The FY 2010 budget requests \$128 million for the Leaking Underground Storage Tanks program, including \$113 million for the LUST trust fund. The Leaking Underground Storage Tanks program promotes rapid and effective responses to releases from Underground Storage Tanks containing petroleum and hazardous substances by enhancing state, local, and tribal enforcement and response capability. EPA supports state and tribal underground storage tank

programs to clean up contaminated sites, promote innovative and environmentally friendly approaches in corrective action to enhance and streamline the remediation process, and measure and evaluate national program progress and performance. Almost 80 percent (or 377,019) of all reported leaks have been addressed to date, leaving a backlog of almost 103,000 cleanups that have not yet been addressed. In FY 2010, EPA will continue to work with the states and tribes to complete LUST cleanups in an effort to reduce the remaining backlog.

All three of these programs – Superfund, Brownfields, and Leaking Underground Storage Tanks – focus on cleaning up contaminated sites to ensure these sites are ready to be returned to beneficial use by our communities, putting both people and property to work.

Partnerships

Next, I want to discuss how this budget will help our partners stay on the job. States, localities, and tribes are the front line in many environmental programs – they implement major portions of many EPA programs. As the recession drastically lowers tax revenues, states and localities are looking at deep cuts in all their programs – cuts that could hinder environmental progress on a wide range of issues.

Categorical Grants

In FY 2010, EPA requests a total of \$1.1 billion for “categorical” program grants for state, interstate organizations, non-profit organizations, and tribal governments. EPA will continue to pursue its strategy of building and supporting state, local and tribal capacity to implement, operate, and enforce the nation’s environmental laws. In this way, environmental goals will ultimately be achieved through the actions, programs, and commitments of state, tribal

and local governments, organizations and citizens. Highlights of EPA's FY 2010 categorical grants include:

Air Quality and Radon Grants

The FY 2010 request includes \$248 million for grants to support state, local, and tribal air management and radon programs. These funds provide resources to multi-state, state, local, and tribal air pollution control agencies for development and implementation of programs for the prevention and control of air pollution and implementation of National Ambient Air Quality Standards. EPA will continue an initiative to measure levels of toxic air pollution near selected schools across the country and ensure that deployed monitors collect high-quality data. This partnership will help EPA maximize its monitoring and analytical capabilities. This budget also includes \$8.1 million for radon grants that focus on reducing radon levels in existing homes and promoting the construction of new homes with radon reducing features.

Water Pollution Control Grants

The FY 2010 Budget request includes \$229 million for Water Pollution Control grants. These grants assist state and tribal efforts to restore and maintain the Nation's water quality. EPA will also work with states to implement the new rules governing discharges from Concentrated Animal Feeding Operations. EPA encourages states to continually review and update the water quality criteria in their standards to reflect the latest scientific information from EPA and other sources.

Non-Point Source Program Grants

In FY 2010, EPA requests \$200.9 million for Nonpoint Source Program grants to states, territories, and tribes. EPA's goal is to reduce annually the amount of runoff of phosphorus, nitrogen, and sediment through our Clean Water Act section 319-funded projects by 4.5 million

pounds, 8.5 million pounds, and 700,000 tons, respectively. These grants enable states to use a range of tools to implement their programs including: both non-regulatory and regulatory programs, technical assistance, financial assistance, education, training, technology transfer, and demonstration projects.

Hazardous Waste Financial Assistance Grants

In FY 2010, EPA requests \$106.3 million for Hazardous Waste Financial Assistance grants. These grants are used for implementation of the Resource Conservation and Recovery Act hazardous waste program, which includes permitting, authorization, waste minimization, enforcement, and corrective action activities. In FY 2010, EPA expects that 100 hazardous waste facilities will put in place new or updated controls to prevent releases.

Public Water System Supervision Grants

In FY 2010, EPA requests \$105.7 million for Public Water System Supervision (PWSS) grants. These grants provide assistance to implement and enforce National Primary Drinking Water Regulations to ensure the safety of the Nation's drinking water resources and to protect public health. In FY 2010, EPA will emphasize that states use their PWSS funds to ensure that drinking water systems of all sizes meet new and existing regulatory requirements.

Tribal General Assistance Program Grants

EPA's budget request includes \$62.9 million for the Tribal General Assistance Program to help federally-recognized tribes and intertribal consortia develop, implement and assess environmental programs. In FY 2010, 100 percent of federally-recognized tribes and intertribal consortia will have access to environmental assistance.

Pesticides, Toxics Substance, and Sector Program Grants

The FY 2010 request includes \$25.6 million to build environmental enforcement partnerships with states and tribes and to strengthen their ability to address environmental and public health threats and assist them in the implementation of compliance and enforcement provisions of the Toxic Substances Control Act and the Federal Insecticide, Fungicide, and Rodenticide Act. Under our Toxic Substances Compliance Grant program, states receive funding for compliance inspections focused on asbestos, polychlorinated biphenyls (PCBs), and lead-based paint. States also receive funding for implementation of the state lead-based paint certification and training, and abatement notification compliance and enforcement program. Under the Sector program grants, EPA builds environmental partnerships with states and tribes to strengthen their ability to address environmental and public health threats, including contaminated drinking water, pesticides in food, hazardous waste, toxic substances, and air pollution.

Lead Grants

The FY 2010 request includes \$14.6 million for lead grants. This funding will support the development of authorized programs, including work under the new Lead Renovation, Repair, and Painting Rule, in both states and tribes to prevent lead poisoning through the training of workers who remove lead-based paint, the accreditation of training programs, the certification of contractors, and renovation education programs. In FY 2010, EPA will continue to award targeted grants to reduce childhood lead poisoning and keep EPA on target to eliminate childhood lead poisoning as a public health concern.

In addition to these grants, the FY 2010 Budget continues EPA's funding and Beaches Environmental Assessment and Coastal Health Act and Wetlands grants to protect our coastal shorelines and improve water quality in watersheds throughout the country.

Homeland Security

EPA has a vital role in homeland security. The Agency has been called upon to respond to five major disasters and nationally significant incidents in the past seven years. In the coming years, EPA's homeland security roles and responsibilities will continue to be of the utmost importance as the Agency enhances its preparedness.

The FY 2010 Budget requests \$160 million to support the Agency's homeland security efforts. The emphasis for FY 2010 is on several areas: applied research for decontamination methods and agents; ensuring trained personnel and key lab capacities are in place to be drawn upon in the event of multiple large-scale catastrophic incidents; and enhancing critical water infrastructure security efforts.

EPA's FY 2010 Budget provides an increase of \$9 million to fully fund five Water Security Initiative pilot cooperative agreements. The Water Alliance for Threat Reduction Activities. The Water Security Initiative will include continued design and demonstration, of a system to test, and evaluate the appropriate response to drinking water contamination threats. Adoption of effective water security guidance on contamination systems will be issued upon completion of these projects.

Inspector General

This budget also reflects another key concern of Congress and mine – making sure we manage our resources responsibly. This budget includes increases to the Inspector General to help ensure that we protect public dollars from fraud, waste, and abuse.

Conclusion

Madam Chairman and Members of the Committee, the FY 2010 budget request sets EPA on a clear path to accomplishing the important work Americans support to address the pressing environmental challenges facing our nation. We are honored to have the job of protecting human health and the environment. And, we are proud that this \$10.5 billion funds investments in both our environmental and economic future.