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ENVIRONMENTAL PROTECTION AGENCY'S FISCAL YEAR 2007 BUDGET

HEARING

BEFORE THE

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS UNITED STATES SENATE

ONE HUNDRED NINTH CONGRESS

SECOND SESSION

FEBRUARY 15, 2006

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ONE HUNDRED NINTH CONGRESS
SECOND SESSION

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ENVIRONMENTAL PROTECTION AGENCY'S FISCAL YEAR 2007 BUDGET

WEDNESDAY, FEBRUARY 15, 2006

U.S. SENATE,
COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS,
Washington, DC.

The committee met, pursuant to notice, at 9:35 a.m. in room 628, Senate Dirksen Building, Hon. James M. Inhofe (chairman of the committee) presiding.

Present: Senators Inhofe, Warner, Bond, Chafee, Murkowski, Thune, Isakson, Vitter, Jeffords, Boxer, Carper, Clinton, Lautenberg, and Obama.

Senator INHOFE. The hearing will come to order.

I think what we will do, Mr. Administrator, we have seven nominations, the confirmation motions that will have to be made. We have to have 10 people here. So as soon as we get 10, we are going to interrupt whatever we are doing, whether it is you or me, and go into our confirmations.

Before that, if it is acceptable with Senator Jeffords, to at this time recognize out of order Senator Isakson for a statement.

OPENING STATEMENT OF HON. JOHNNY ISAKSON, U.S. SENATOR FROM THE STATE OF GEORGIA

Senator ISAKSON. Thank you, Mr. Chairman and ranking member.

On the confirmation of the board members to the TVA at our previous committee meeting, I told the committee how much I supported each and every one of those nominees from the standpoint of their qualifications and their ability. I stand by that statement.

I also expressed my concern over the lack of representation of three States covered by TVA but ending up not being represented on the board. As the chairman will remember, at that time, I asked the prospective board members——

Senator INHOFE. I believe that was Virginia, North Carolina and Georgia, right?

Senator ISAKSON. That is correct. I asked the prospective board members to open a dialog with me to see if we couldn't work out a way to ensure that when there were occasions on that board that States served by TVA were not represented on the board there would be a mechanism established for their input, concerns, et cetera, to flow freely between the board and those States.

I also met with the majority leader, who was the original author of the legislation that created the new board. As of last night, pending the receipt of some confirmation today, we have worked

out with me and with them a very satisfactory arrangement on that representation. So I just wanted the record to show that the hold I would have placed on the nominations on the floor will be lifted as soon as I receive that communication and they receive mine to them, which should take place today.

I repeat what I said on that day with regard to these six individual members: they are outstanding Americans, they will do a great job. My concerns never dealt with their capability, but rather with the structure and representation of that board as it would be constituted.

Senator INHOFE. All right. Thank you very much, Senator Isakson. That will be duly noted.

We will be waiting for 10 to show up so that we have a quorum and we can get to the nominations. But we will go ahead and proceed with the budget portion of the hearing. We will follow our normal procedure, and that is, after opening statements have concluded, anyone coming in late would not be entitled to an opening statement, we will just continue with the hearing.

OPENING STATEMENT OF HON. JAMES M. INHOFE, U.S. SENATOR FROM THE STATE OF OKLAHOMA

I welcome you, Administrator Johnson, and am pleased to have you testify before the committee today on your fiscal year 2007 proposed budget. I expect that each Senator is going to want to have time, so we are going to try to keep our opening statements down to under 5 minutes if at all possible.

The Administration has proposed a $7.32 billion budget for the fiscal year 2007. It is a $310 million cut to the EPA's budget from 2006. I think that is a little deceptive, though, and this is something that we are going to be exploring, as I have told you privately. It seems to me that when we are trying to do cuts, we have the insatiable appetite for cherry picking and getting these things that we know will be reinstituted as it goes through the process.

So as far as the $400 million cuts, which represent actually an increase of some $90 million, because we know that the $310 million will be reinstituted, since they are in the two categories that historically they have used to represent cuts. They always get reinstated. We are talking about some of the members' projects and, what is the other big category? Oh, yes, the revolving fund. Because this is something that is very important to us.

So I am disappointed in that we are not doing it. What I will be asking you to do is take this budget back and find a net of $310 million in cuts that is not something that is going to be automatically reinstated. Does that make sense? That is what we are going to try to do.

One reason for these congressional earmarks is that in their absence, the bureaucrats at the EPA would solely determine how to spend those funds instead of Congress. It is very similar to the situation in the Transportation bill. People talk about earmarks and they don't realize that if we don't have members' earmarks, there is still going to be, that money is going to be spent, but it is going to be spent by individuals who are bureaucrats who are not subjected to going home and knowing what the real needs are. So I

think this is something that is very important that we keep in mind as we come back with some changes to this budget.

This hearing focuses on the EPA budget and the EPA grants are a major example of spending decisions of unelected bureaucrats. We have already covered all that.

We have found that taxpayers' dollars being used for purposes such as funding questionable environmental projects in other countries, which included the funds to expand the environmental capacity of the Moroccan non-governmental organizations, NGO's, this is kind of interesting. Also that we would pay to have a delegation come from Morocco to come to Maryland to study our environmental situation when Morocco has more money than we do. I look at this and I think, why are we doing these things?

One thing I would like to have you do, Mr. Administrator, because I asked my staff and they couldn't tell me, you have the Office of International something or other, what is it called?

Mr. JOHNSON. The Office of International Affairs, sir.

Senator INHOFE. Yes. In that we find that some of these are international, some are not. In fact, I think the total budget for that office is fairly nominal. I don't remember the exact number I heard yesterday.

Then we find out that such things as this Moroccan situation and one having to do with China are not actually out of that office. So what I would like to find out is a number, when you come back or as soon as you can get back to me for the record, as soon as possible, as to how much money is spent on international causes. Because it is not found in that one office. So I would like to have you do that.

[The referenced material can be found on page 83.]

Now, along with grants oversight, my staff has been investigating EPA regions and how they vary in their implementation enforcement of environmental regulations. So far we have learned that of the 10 EPA regions, there is often little uniformity in how the same program is managed in different regions. This concerns me because it appears that regions have the ability to depart from the national guidelines when enforcing Federal regulations without any repercussions.

For example, in Region V, the bureaucrats in Region V have been notoriously autonomous in their enforcement of Federal environmental law, finding people in violation of the law for things no other region has cited for. This can lead to situations that are patently unfair and stifle commerce and fair international competition. I will continue to look into situations in which regions move out of the acceptable variance of enforcement and no longer will regions advance their own agenda without being noticed and held accountable.

I have several oversight priorities critical to my State of Oklahoma, as you well know, Tar Creek, which was considered to be the most devastating of all the Superfund sites. We have been throwing money on that for a long period of time. We now have this under control. I have to say, with the cooperation of our Governor, Governor Brad Henry, of my predecessor, David Boren, who is the president of Oklahoma University, we have a partnership where the EPA and the different organizations here, the Corps of Engi-

neers and others in Washington, with Oklahoma University and the DEQ of the State of Oklahoma, we have really gotten it under control. We have determined the ownership of the CHAP piles, we have determined how to deal with that.

Just recently, we ran into something that was very, very serious. A man named Ed Keheley, who is a well-respected scientist onsite down there, said that we are going to have to study the subsidence to see what the problem is. All of a sudden we find out that the subsidence problem is more serious than the air problem was before. We are going to have to shift our gears in a modest way to handle that. Because right now, we have some, in some areas, only 32 feet, taking our school children from the air to the underground.

So we have made some great progress there. But we have some new challenges.

In addition, I am deeply concerned that nearly 80 percent of the small drinking water systems in my State are not in compliance with the disinfection byproduct stage 1 rule. To add insult to injury, EPA recently finalized an additional two drinking water rules that will place additional burdens on these small communities. In addition to my legislation to provide these communities regulatory relief, I will continue to examine the cost of the science behind these proposals.

I might add, it is not just the State of Oklahoma. I have talked to Senators from New Mexico and other States who are having the same type of problem.

So I would also like to encourage the Agency to create a more open and transparent scientific process. The American people deserve to truly understand the risks to which they are exposed, including any uncertainty about that risk, and how the particular risk compares to another. The American taxpayer funds these efforts in this. They should be able to evaluate them and make judgments about how their dollars are spent.

So I will be anxious to get into this. I notice here Senator Jeffords has asked that Senator Boxer be recognized first on the minority side. We will do that, but I hope that doesn't mean you are leaving. Because we have to get 10 people here.

[The prepared statement of Senator Inhofe follows:]

STATEMENT OF HON. JAMES M. INHOFE, U.S. SENATOR FROM THE STATE OF OKLAHOMA

Welcome Administrator Johnson. I am pleased to have you testify before the committee today on the President Bush's Fiscal Year 2007 budget proposal for the Environmental Protection Agency.

I expect that each Senator on the committee will wish to make an opening statement and will have several questions for the Administrator. Therefore, I am asking that opening statements be kept under 5 minutes.

The Administration has proposed $7.32 billion for the EPA for fiscal year 2007. This is a $310 million cut to the EPA's budget from the 2006 enacted level. However, this budget includes $199 million in cuts to the clean water SRF and more than $200 million in cuts to regional water programs and other Congressional priorities. These cuts will not be sustained throughout the process. I truly understand that in the current fiscal environment we need to make tough choices. However, I am frustrated by the unrealistic cuts. There are many opportunities to make further cuts that could survive the process that were overlooked by the Administration.

This is disappointing because in addition to my demands at last year's hearing, I sent a letter to you earlier this year urging you to propose cuts that stand a real-

istic chance of being reduced or eliminated. A budget that focuses so much of the pain on regional programs and Congressional priorities does not meet this goal.

The proposed cuts to the Clean Water SRF, regional water programs, and other Congressional priorities are likely to be restored and the Administration knows it. Cuts to these programs account for more than $400 million far more than the overall budget cut of $310 million. This allows the Administration to increase other programs, even though they know that in the end Congress will restore much of their proposed cuts. My colleagues on the Minority and the so-called environmentalists are attacking you for making cuts, when at the end of the day you have actually failed to realistically reduce the budget.

Congress would be justified in restoring many of the cuts you proposed. There is a nationwide crisis and need for more water infrastructure money. It is clear from the cuts you have proposed that the Administration does not fully understand this crisis.

Another reason for these Congressional earmarks is that in their absence, the bureaucrats at the EPA would solely determine how to spend those funds instead of Congress. If we don't earmark, the career bureaucrats will make the decisions, thus taking the decision out of the control of the people who are most responsive and accountable to their constituents. Furthermore, without funding that is distributed in accordance with a formula, our communities that are struggling with unfunded mandates, must compete with one another for the attention and approval of the career bureaucrats that dole out the EPA's discretionary grants. Members of Congress know very well the needs in their districts. I assure you that I know the needs of Oklahoma far better than any unaccountable bureaucrat in Washington.

This hearing focuses on the EPA budget, and EPA grants are a major example of spending decisions by unelected bureaucrats. Each year, the EPA awards half of its budget in a wide range of grants to a variety of recipients. However, over the past 10 years, EPA has received criticism from the Office of Management and Budget, the EPA Inspector General, and the Government Accountability Office for preferential treatment in grant making, awarding grants without competition or peer-review, and requiring no environmental results. Due to oversight from this committee, EPA has begun to make progress in grant making. However, let me provide some examples this committee has uncovered of spending decisions made by bureaucrats within EPA.

We have found taxpayer dollars being used for dubious projects such as

funding questionable environmental projects in other countries which included funds to expand the environmental capacity of Moroccan non-governmental organizations and government agencies, including a 10-day United States study tour for Moroccan officials to Maryland. Additionally, grants funds have been allocated to implement regional energy efficiency standards for buildings in the Russian Federation and implement an indoor air initiative in the Yunnan community of China. I believe and I know the taxpayers in Oklahoma agree with me that funding for these grants could be better spent at home.

Along with grants oversight, my staff has been investigating EPA regions and how they vary in their implementation and enforcement of environmental regulations. So far, we have learned that of the ten EPA regions, there is often little uniformity in how the same program is managed in different regions. This concerns me because it appears that regions have the ability to depart from national guidelines when enforcing federal regulations without any repercussions. For example, Region 5 bureaucrats have been notoriously autonomous in their enforcement of federal environmental law finding people in violation of the law for things no other region has cited for. This can lead to situations that are patently unfair, that stifle commerce, and fair national competition. I will continue to look into situations in which regions move out of the acceptable variance of enforcement and no longer will regions advance their own agenda without being noticed and held accountable.

I would like to applaud the Agency's recent efforts to reduce the compliance burden associated with the Toxic Release Inventory, or TRI. Last fall, EPA proposed allowing certain TRI reporters to use the shorter TRI Form A instead of the longer TRI Form R. This move would save an estimated 165,000 hours of burden each year while retaining 99 percent of current long form data. This is the type of streamlining the Agency should do and I encourage you to continue to look for other areas where you can create efficiencies and reduce burdens while maintaining environmental protection. The Agency also said it would begin to examine the possibility of altering the timing of TRI data reporting, perhaps moving to an every other year schedule, potentially resulting in $2 million in savings in the "off year." I know that you will carefully evaluate the issues associated with these burden reduction efforts and balance them with the Agency's commitment to providing information to the public.

I have several oversight priorities critical to my State of Oklahoma. As you know, Tar Creek has been my top priority for some time. We have made tremendous progress, but much more needs to be done. I appreciate the EPA working with me and Governor Henry. Just 2 weeks ago, a subsidence report was issued. The study was the result of one of my visits to Tar Creek, riding around the chat piles with Ed Keehely a retired nuclear engineer from DOE who lives in the area and has been very involved in the Tar Creek superfund site. This report provided very new information detailing undermining and potential cave-ins some 200 structures, including homes and churches, were found to be at risk. This new information has brought about a reevaluation of our priorities, and I will be seeking your commitment to work with myself, Governor Henry, and the other Federal agencies in order to do whatever is necessary to address this risk.

In addition, I am deeply concerned that nearly 80 percent of the small drinking water systems in my State are not in compliance with the disinfection byproduct stage I rule. And to add insult to injury, EPA recently finalized an additional two drinking water rules that will place additional burdens on these small communities. In addition to my legislation to provide these communities regulatory relief, I will continue to examine the costs and science behind these proposals.

I would also like to encourage the Agency to create a more open and transparent scientific process. The American people deserve to truly understand the risks to which they are exposed, including any uncertainty about that risk and how a particular risk compares to another. The American taxpayer funds these efforts and thus they should be able to evaluate them and make judgments about how their dollars are spent.

Administrator Johnson, I look forward to your testimony. I again urge my colleagues to keep their statements brief.

Senator BOXER. Senator, I have an obligation at the Foreign Relations Committee where Secretary of State Rice is going to be. I have to be over there.

Senator INHOFE. I understand. You are recognized.

OPENING STATEMENT OF HON. BARBARA BOXER, U.S. SENATOR FROM THE STATE OF CALIFORNIA

Senator BOXER. Thank you so much. It is very nice of you, Senator Jeffords. Thank you.

Mr. Chairman, thanks very much, and Administrator Johnson, thank you for being here this morning. EPA's mission, to protect public health and the environment, is critical to the lives of all Americans. Sometimes I think we get so caught up in the weeds, we forget the reason that we are here. We forget the reason we have an Environment Committee.

I believe this value of protecting the health of the American people is a value shared by our people. Ensuring that communities are healthy, safe and not threatened by pollution in the air, water or soil is a moral issue. Any of us who goes to our schools, wherever they may be located, from the deep South to the East to the West, and every place in between, we see the increase in asthma cases among children. This isn't happening for no reason. There is a reason. We have to try and make life healthier for our people.

Unfortunately, I come at this budget a little differently than the Chairman, not surprisingly. We do have different philosophies on this. I believe this 2007 budget reveals the fact that the protection of public health and the environment is not a priority for this Administration. EPA's budget does not commit the resources necessary to assure the quality of life and clean environment that Americans expect and Americans deserve.

Since this Administration's first budget, EPA funding has been cut by 16 percent. This year alone, most domestic agencies were cut an average of a half a percent, but EPA was cut by 4 percent, a

total of $310 million. The funding levels sought by this Administration takes the Country back to funding levels not seen in 8 years.

These cuts are not only harmful to public health, they are also fiscally irresponsible. The cost of failing to invest in these critical programs at a time of rising rates of childhood asthma, as I discussed, also childhood cancer is growing and neurological, developmental and reproductive disorders are growing. This is the wrong time to cut.

The President's proposed budget cuts include $199 million from the Clean Water Revolving Fund, despite the fact that 40 percent of streams, 45 percent of lakes and 50 percent of estuaries are polluted. Thirty-five million dollars from State air quality managers, weakening enforcement of Clean Air laws, when 150 million Americans live in areas with unhealthy air and $11 million cut from Superfund cleanups when one in four Americans lives within four miles of a Superfund site. A lot of those Americans are children. And children are more adversely affected.

EPA's own documents estimate a shortfall of $750 million to $1 billion needed to clean up sites deferred due to continuing budget shortfalls. The pace of cleanup has dropped in half since the Clinton administration. EPA has also revealed that there are well over 100 Superfund sites where human exposure is not under control, including sites directly affecting children. I will make the EPA document I have obtained summarizing the threats posed by these sites part of the record, and I want to thank the Chairman, Mr. Chairman, I want to take a minute to thank you very much, because with your help we have been able to get documentation on a lot of these issues.

The Administration has also proposed to eliminate all funding for the National Children's Health Study, which is a seminal interagency study that includes the effect of the environment on children's health. How can we sit here and preside over the dismantling of a program that has been set up to track children's health? EPA has made an important contribution to this ongoing study in the past. This is a terrible signal. This study is a good example of the Administration's misguided policies. It would contribute to a better understanding and control of the causes of asthma, diabetes and impaired mental abilities in children, including environmental factors.

An NIH commissioned analysis estimated a cost saving of $9.7 billion a year that could be gained from the canceled children's study. So we cancel the children's study, we lose the benefits that could come, and it costs us all more money in the end as we have to face these diseases in our children.

These cuts come on top of efforts to politicize and weaken EPA and environmental programs as never before. A few quick examples, and then I will be done. In recent testimony before the EPA's Clean Air Science Advisory Committee, Mr. Bart Ashtro, the chief of the Air Pollution Epidemiology Unit at California's EPA, reported that the White House Office of Management and Budget improperly interfered with EPA's analysis on a proposed rule governing the control of toxic dust in rural areas, rural areas.

The recent resignation of a 24-year-old political appointee at NASA, after the New York Times revealed his efforts to intimidate

NASA's senior climate scientist, raises similar concerns. This Administration has demonstrated a pattern of distorting scientific evidence when the conclusions do not match the policies they wish to pursue. This is a dangerous pattern that must be stopped.

Despite all this, I understand that the Administrator will testify today that EPA is committed to successful programs like Superfund, it is committed to sound science. Well, these words, so far, have not been backed up by the facts or the reality of this budget. The President's budget speaks for itself, cutting critical programs like Superfund. The budget is a road map to our values and our morality. This budget fails the test. These proposed cuts, along with the Administration's concerted effort to distort science, tell the real story.

The oversight role of Congress is an essential one here. EPA's budget must reflect the high priority placed by all Americans on living in a clean and safe environment. The dollars saved in this budget are swallowed up by the cost to public health and the environment if cuts to critical programs are allowed to stand.

Now, Mr. Johnson, you have a really hard job here. You heard the chairman say, please go back and find more savings. You heard me say, and I think others, perhaps on both sides of the aisle, we don't know where people are coming out on this, who are going to tell you there are too many cuts. The bottom line is the American people. It is not about us. It is about them. It is about their health, it is about their welfare.

So I hope we can put politics aside and care about them for a change. I think if we did that, we would have a much better budget and would have a priority of keeping the American people healthy. Thank you, Mr. Chairman, very much. Thank you, Senator Jeffords.

Senator INHOFE. Thank you, Senator Boxer.

If you would just stay her for just a moment, we will recess our budget hearing and go to nominations. We now have 10.

[Whereupon, the committee recessed to conduct other business.]

Senator INHOFE. We will return now and recognize Senator Vitter, I believe you would be next.

OPENING STATEMENT OF HON. DAVID VITTER, U.S. SENATOR FROM THE STATE OF LOUISIANA

Senator VITTER. Thank you, Mr. Chairman, for having this hearing today, and Mr. Johnson, thanks for being here. I want to start by saying thank you for all the hard work that EPA has done for almost 6 months in the Gulf region. The EPA has played a crucial role in the response and cleanup efforts.

Senator INHOFE. I don't think your microphone is on, Senator. I might suggest you use the other microphone there, because we do want to make sure the record reflects your entire statement.

Senator VITTER. Thank you, Mr. Chairman.

Yes, Mr. Johnson, EPA has played a very crucial role in response to the hurricanes, in immediate response as well as cleanup efforts and monitoring. The key to Louisianians moving back to New Orleans and surrounding areas as well as southwest Louisiana is security through stronger hurricane protection. It is also important that the environment is safe for human health. You all have done two

crucial things that are equally important. No. 1, you have helped identify and respond to the serious situations that have occurred on a localized basis in terms of different sorts of contamination.

Equally as important, you have helped dispel the media myth that there is this widespread, global, toxic soup in the region that made the whole region uninhabitable. That widespread toxic soup myth wouldn't have killed anyone, but it would have killed our economy and our future if it had been allowed to stand. So thank you for bringing science to bear on both of those counts.

Even after 5 months, there is still much to be done to recover and rebuild. So I look forward to continuing to work with you and EPA in terms of that response.

Another example I want to mention briefly of your important work in Louisiana is Lake Pontchartrain, one of America's most significant bodies of water. In 2000, Congress passed the Lake Pontchartrain Basin Restoration Act. EPA is an active member of that stakeholders conference and is the chief Federal Agency involved in the program. So I look forward to continuing that work.

Again, thank you, Mr. Chairman, for the hearing. I look forward to following up.

[The prepared statement of Senator Vitter follows:]

STATEMENT OF HON. DAVID VITTER, U.S. SENATOR FROM THE STATE OF LOUISIANA

Mr. Chairman, thank you for having this hearing, and, Mr. Johnson, we appreciate your being here today.

I would like to start by saying thank you for the hard work conducted by the Environmental Protection Agency over the past almost 6 months since Hurricanes Katrina and Rita devastated Louisiana and the Gulf Coast region.

The EPA has played a crucial role in the response and clean-up efforts in Louisiana through testing and monitoring air and water quality throughout the disaster area. The key to Louisianians moving back to New Orleans is security through stronger hurricane protection but it is also important that the environment is safe for human health. EPA has been very involved in ensuring a safe environment as Louisianians return home.

Even after 5 months, there is still much to be done to recover and rebuild the areas destroyed by the Hurricanes especially in the area of debris removal. Mr. Johnson, I look forward to continuing to work with you and appreciate your commitment to cleaning up Louisiana.

Another example of an area where EPA's work in Louisiana is very important is Lake Pontchartrain, one of America's significant bodies of water. In 2000, Congress passed the Lake Pontchartrain Basin Restoration Act, which was my first bill to pass Congress. EPA is the chief Federal Agency involved in the program and I look forward to EPA's continued involvement to further promote efforts to improve the water quality of Lake Pontchartrain. Again, thank you Mr. Chairman. I look forward to asking questions.

Senator INHOFE. Thank you, Senator Vitter.

Senator Jeffords.

OPENING STATEMENT OF HON. JAMES M. JEFFORDS, U.S. SENATOR FROM THE STATE OF VERMONT

Senator JEFFORDS. Good morning, and welcome, Administrator Johnson. It is good to see you.

As I enter my last year as a member of this committee, I remember those who have sat before us, Senators Stafford and Chafee and Moynihan come to mind. Each believed that investment in environmental programs support our economy. Each in their own way felt that the key to the economic sustainability was environmental stewardship.

The President's budget worries me, as I believe it would worry our predecessors. Just three budgets ago, this Congress approved $8.4 billion in spending for EPA. The proposed budget represents a decline of 13 percent from 2004 and a 4 percent reduction in spending last year.

However, when inflation is taken into account, next year's cut would be well over 7 percent. The brunt of these cuts will be felt by our States, which are already struggling with budget shortfalls. This budget will mean even less money and therefore fewer resources for our States to ensure cleaner air and water by our citizens.

If I were to use an analogy, this budget is like an ostrich sticking its head in the sand. As we all know, ignoring our problems won't make them disappear. If only it were that easy. I would argue that ensuring our Nation's water infrastructure is up to date should be a homeland security problem. The EPA's own analysis found the spending gap for clean water to be $270 billion. That is the gap between what we have and what we need, not the total.

In the face of this and other documented analyses of this spending gap, the Administration continues to cut spending. This proposed budget would cut the Clean Water State Revolving Fund, or SRF, by almost 50 percent, from what the annual appropriations were when President Bush took office. This committee has reported out legislation authorizing $35 billion over 5 years for the Clean Water and Drinking Water SRFs over the course of three separate Congresses. There is enormous public support for this spending. There isn't a member sitting on this committee who hasn't heard from our constituents about this need.

This Administration seems to recognize the importance of the clean water overseas but not at home. We have dedicated 12 percent of reconstruction funds in Iraq to water projects. We are planning to complete 712 water projects in Iraq. We have already finished 434. Some might say, well, we can't afford it, let's just weaken our regulations. Weaken the regulations, after witnessing the improvement in the quality of our Nation's waters? I can't understand why we as a Nation still fail to recognize the importance of water for our economy, our health and our environment.

I also feel like a broken record when it comes to challenging the adequate funding levels for Lake Champlain, the pace of Superfund cleanups and the cuts to the environmental education and air toxics research. I hope that when EPA is asked to embark on new missions it is provided with the necessary resources and is not forced to scale back on other important obligations. I fear that this may be already happening, as it appears that some homeland security activities are being financed at the expense of cleaning up Superfund sites.

Before closing, I would like to mention one issue that has cropped up recently that is of grave concern to me. That is, EPA's proposal to convert the annual toxics release inventory report into an every other year report. The EPA should be expanding, rather than rolling back, our community right to know protections. I do not understand how weakening these laws protects public health.

Again, thank you, Administrator Johnson, for being with us today. I look forward to hearing your testimony.

[The prepared statement of Senator Jeffords follows:]

STATEMENT OF HON. JAMES M. JEFFORDS, U.S. SENATOR FROM THE STATE OF VERMONT

Good morning and welcome Administrator Johnson.

As I enter my last year as a member of this committee, I remember those who have sat here before us. Senators Stafford, Chafee, and Moynihan come to mind. Each believed that investment in environmental programs supports our economy, and each in their own way felt that the key to economic sustainability is environmental stewardship.

The President's budget worries me, as I believe it would worry our predecessors. Just three budgets ago, this Congress approved $8.4 billion in spending for the EPA. The proposed budget represents a decline of 13 percent from 2004 and a 4 percent reduction in spending from last year. However, when inflation is taken into account, next year's cut would be well over 7 percent.

The brunt of these cuts will be felt by our States, which are already struggling with budget shortfalls. This budget will mean even less money, and therefore fewer resources, for our States to ensure cleaner air and cleaner water for our citizens. If I were to use an analogy, this budget is like an ostrich sticking its head in the sand. As we all know, ignoring our problems won't make them disappear. If only it were that easy.

I would argue that ensuring our Nation's water infrastructure is up-to-date should be a homeland security priority. The EPA's own analysis found the spending gap for clean water to be $270 billion. That's the gap between what we have and what we need, not the total. In the face of this and other documented analyses of this spending gap, the Administration continues to cut spending. This proposed budget would cut the Clean Water State Revolving Fund, or SRF, by almost 50 percent from what annual appropriations were when President Bush took office.

This committee has reported out legislation authorizing $35 billion over 5 years for the Clean Water and Drinking Water SRFs over the course of three separate Congresses. There is enormous public support for this spending. There isn't a member sitting on this committee who hasn't heard from our constituents about this need.

This Administration seems to recognize the importance of clean water overseas, but not at home. We've dedicated 12 percent of reconstruction funds in Iraq to water projects. We're planning to complete 712 water projects in Iraq we've already finished 434.

Some might say, well, we can't afford it, let's just weaken regulations. Weaken the regulations? After witnessing the improvement of the quality of our Nation's waters, I cannot understand why we, as a Nation, still fail to recognize the importance of water for our economy, our health, and our environment.

I also feel like a broken record when it comes to challenging the inadequate funding levels for Lake Champlain; the pace of Superfund cleanups; and cuts to environmental education and air toxics research.

I hope that when the EPA is asked to embark on new missions, it is provided with the necessary resources and is not forced to scale back on other important obligations. I fear that this may already be happening, as it appears that some homeland security activities are being financed at the expense of cleaning up Superfund sites.

Before closing, I would like to mention one issue that has cropped up recently that is of grave concern to me. That is an EPA proposal to convert the annual Toxic Release Inventory report into an every-other-year report. The EPA should be expanding, rather than rolling back, our Community-Right-to-Know protections, and I do not understand how weakening these laws protect public health.

Again, thank you Administrator Johnson for being here today. I look forward to hearing your testimony.

Senator INHOFE. Thank you, Senator Jeffords.

Senator Bond.

OPENING STATEMENT OF HON. CHRISTOPHER S. BOND, U.S. SENATOR FROM THE STATE OF MISSOURI

Senator BOND. Thank you very much, Mr. Chairman, for holding this hearing on the budget. I agree wholeheartedly with the comments you made at the beginning. I am happy to see Administrator Johnson and glad to see an ex-patriot from OMB, Mr. Peacock,

here. We would like to be able to welcome you to the real world and find out what some of the challenges are that OMB never has seemed to recognize in the past.

Prior to the delay of our appropriations structure last year which caused some restructuring, I wound up with highway spending in my appropriations committee, but I was very sad to lose EPA. Some in EPA may not share that sorrow. I was delighted to work with my committee to attempt to right the obvious wrongs proposed by OMB in both Republican and Democratic administrations for the EPA's budget.

We launched a bipartisan effort against the budget cutters from both parties whose green eye shades obscured the plight of everyday Americans. Working with my partner, Senator Murkowski, I was proud every year to help restore cuts to the Clean Water and Safe Drinking Water State Revolving Funds, which are vital in my State and I assume in other States to help local cities and towns provide their residents with clean and safe water.

The job these communities face is overwhelming: hundreds of billions of dollars in infrastructure costs to meet the mandates imposed by Washington. The job we faced was hard, but we were able to restore the water funds.

But times are tougher. I see OMB now proposes to cut Federal contributions to the State water funds by $200 million, cut the fund contributions almost in half from historic levels. What do we tell our constituents back home? Drink only half a glass of water? Fill the bathtub only halfway? Don't worry about half our rivers? Forget about half our fish? It's only half of a one-two punch.

At the same time, they are pulling, the Government proposes to pull the rug out from under local water systems, EPA is knocking them down with expensive, new regulations. Systems across the Country are struggling to implement EPA's arsenic standard. The Phoenix area has spent a couple of hundred million dollars just to control arsenic. El Paso has spent nearly $100 million. Medium and small size systems don't have those kinds of resources. EPA has told people to go to the revolving fund and get a loan. That is the same fund, Mr. Chairman, to which I remind you they would recommend cutting our contributions by half.

Also, small systems in my State, and I assume many others, if not all States, don't have the technical ability or the revenue base either to provide the local match or make payments on such a loan. Even if towns of 1,000 residents triple their water rates, it would still not be enough to get these loans.

EPA helps these systems select their treatment technology, but that does little good if you can't afford to buy and install the technology. EPA also cites flexibility in variance programs. However, EPA rarely and in some programs has never granted the variances.

Similarly, new policies that do not apply retroactively could be little help at all. As if this is all not bad enough, we have a new rule from EPA to address disinfectant by products. Where on earth does EPA think that small water systems will get the money for this new rule, when they can't even afford the arsenic rule is beyond me.

My big fear is that these heavy new burdens, without funding, will shut down many systems, forcing perhaps hundreds of thou-

sands of families to rely on much less safe drinking water sources, groundwater, wells, cisterns, and the risks to those families will be much higher. I wonder if EPA has ever looked at the cost benefit of some of these regulations which may give away many of the benefits that existing small systems can provide in cleaning up the water in hopes of achieving an absolute standard. It appears that the perfect may be the real enemy of the good for many of these water systems.

We have to restore some reality to this situation. New budget cuts and new obligations are not the solutions. New policies that do nothing are no solution, either. If environmental leaders really want to make a difference, they have to find solutions that are doable or provide people the means to accomplish these solutions.

I look forward to the testimony and debate on this and other EPA issues. These are matters of serious concern to the people who have the responsibility in my State who have told me of their great frustration and concern about where they are going to go in the future. Thank you.

Senator INHOFE. Thank you, Senator Bond.

Senator Carper.

OPENING STATEMENT OF HON. THOMAS R. CARPER, U.S. SENATOR FROM THE STATE OF DELAWARE

Senator CARPER. Thanks, Mr. Chairman.

Administrator Johnson, welcome. It is good to see you. I want to welcome your Deputy Administrator, Mr. Peacock, as well. Thanks for joining us today. Thank you for taking our arrows and being willing to give us your testimony and respond to our questions.

I just want to start off with a word of thanks. I want to thank you for the decision you made last year to model several Clean Air proposals dealing with utility emissions and multi-pollutant bills, the President's Clear Skies proposal, Senator Jeffords' proposal and the proposal, a third proposal that Senators Alexander and Chafee and Gregg and I had offered. Thank you very much for doing that and for playing it straight and letting us have your, I think, your heart-felt analysis. That was much appreciated.

I know that folks on our committee are going to criticize EPA for not allocating sufficient funds to actually make the air as clean as we would like it to be, or to make our water as clean as we would like for it to be. I would just remind my colleagues, if things like clean air or clean water are worth having, they are worth paying for. To the extent that we don't allocate enough money for EPA's budget or for other programs that are meritorious, then we shouldn't be surprised that sometimes the moneys that we want, whether it is for programs like revolving loan fund for clean water, which is important to us, I know to many, see that cut as painful.

We are pleased that you were able to find $50 million to allocate for the diesel retrofit program that Senator Voinovich and myself, I know Senator Clinton, Senator Inhofe and others have promoted. We are grateful for that. We are concerned with the possibility that we may sort of have robbed Peter to pay Paul. Nonetheless, we appreciate the acknowledgement of the importance of our efforts to reduce the emissions from all the diesel vehicles on our roads.

I am not going to go on beyond that. I just want to say that we are happy you are here and we look forward to talking with you today and to working with you as we go forward. Thank you very much.

Senator INHOFE. Thank you, Senator Carper.

Senator Thune.

OPENING STATEMENT OF HON. JOHN THUNE, U.S. SENATOR FROM THE STATE OF SOUTH DAKOTA

Senator THUNE. Thank you, Mr. Chairman. I also want to thank Administrator Johnson and Deputy Administrator Peacock for being here today. Also, I notice Susan Bodine is here. Glad to have her here as well, and to see that a lot of those top positions at EPA are being filled and that the team is in place. We appreciate the good work you do.

I want to thank Administrator Johnson for coming to South Dakota in the dead of January. That is a bold thing, and a very dedicated public servant, when someone is willing to do that. For your good work with our corn growers out there, and the people who are interested in renewable energy, which is an issue that is very important to my State. So I thank you for working with me and with the folks in South Dakota who have a very keep interest in that subject.

I look forward to continuing to work with you on that issue. There are a number of things with respect to the renewable fuels standard, we want to acknowledge the dollars that were put into the budget, I think $11 million in the budget for development and implementation of the RFS, which is a critical component of our energy policy going forward. So thank you for doing that.

I have, like a lot of folks, these budgets are always a great target to shoot at, concerns regarding the Administration's proposed reduction for the Clean Water SRF program. Based on my calculations, South Dakota would lose about $1.3 million compared to the funding that it received last year. I know that Congress continues to fund this program at a level higher than the Administration supports, largely due to I believe what are the overwhelming needs, not only in my home State, but across the country.

So as we look at these, at Congress evaluates and looks at these programs, I am sure we will have plenty of debate about what those priorities should be. I will just say that in South Dakota, 50 percent of the assessed rivers and 84 percent of the assessed lakes are designated as having impaired water quality. So that is a program that is very important to my State.

I also would, if I don't get a chance to stay around until we get fully into the questioning, would like to submit for the record some questions with respect to the Leaking Underground Storage Tank program. There are a couple of observations that I have about that program with respect to the challenges that we face and also the way that the funds are being allocated this next year. I won't get into that at this point. We just want to welcome you and thank you again for your good work and look forward to working with you in the future on issues that are of great importance to the people on this committee and the people of this Country. Thank you.

Senator INHOFE. Thank you, Senator Thune.

The record probably will stay open for only maybe 3 days, because we are going to keep things moving, so try to get your questions for the record in.

Senator Clinton.

OPENING STATEMENT OF HON. HILLARY RODHAM CLINTON, U.S. SENATOR FROM THE STATE OF NEW YORK

Senator CLINTON. Thank you very much, Mr. Chairman. Welcome to the committee, Administrator.

I am going to keep this brief. I do want to thank you for the work that you have done with me on behalf of New York. We haven't always agreed, but I greatly appreciate your openness and willingness to consult and listen.

There is one bright spot in the budget for me, and that is the funding of the Diesel Emissions Reduction Act. I assume that means that the ultra-low sulfur diesel fuel standard is still on track.

Mr. JOHNSON. Yes.

Senator CLINTON. However, there are a number of very serious problems with the budget. I hope that as it goes through the process we are able to prevail on the Administration to revisit the Clean Water State Revolving Fund, which has been cut dramatically. That would mean $22 million less for clean water projects in my State. It will have real impacts from the Great Lakes to the Long Island Sound.

There are specific programs which we have been working on literally for decades and have made progress on that I really regret seeing the budget levels for, the Long Island Sound program was cut from $1.8 million to less than $470,000. That clearly jeopardizes the Agency's ability to implement the comprehensive cleanup and management plan that we have spent years developing and we are now on the brink of really implementing it and getting results and we are cutting back on the funds that would enable you to do that.

The budget completely eliminates funding for the Long Island Sound Restoration Act, which was funded at nearly $4 million last year. Again, this important act, which we recently reauthorized for 5 years, has provided funding for projects to protect the water quality of the Sound, including nitrogen reduction projects and upgrades to wastewater treatment plants. Another big investment that we have made jointly with the Federal Government that is now in danger, the National Estuaries program cut by $5.3 million, further threatens the cleanup of the Sound, as well as 27 other nationally important estuaries.

I am dismayed that we have so many cuts in programs that are not new programs, they are programs that have really been proving their viability and success, but need to continue if we are going to get the results that we should expect. Finally, I am dismayed by the $35 million cut in grants to State and local Agencies for the purpose of administering the Clean Air Act. New York, along with a few other States, is really on the front lines of pollution control. We have gone way out on a limb trying to make sure that we take steps regionally as well as locally to do what is required with re-

spect to clean air. So it would be very disadvantageous to see those funds cut.

So there are a number of issues that I have with the budget. I look forward to working with you and my colleagues in trying to get a budget that more carefully and clearly reflects what are the real priorities for our environment. Thank you very much.

Senator INHOFE. Thank you, Senator Clinton.

Senator Murkowski.

OPENING STATEMENT OF HON. LISA MURKOWSKI, U.S. SENATOR FROM THE STATE OF ALASKA

Senator MURKOWSKI. Thank you, Mr. Chairman and Administrator Johnson, welcome, Deputy Administrator Peacock, thank you for being here this morning. I want to join my colleague in thanking you for visiting my State. You say you went to South Dakota in the dead of winter, but you had, I think, a relatively eye-opening experience. I want to thank you for following up on your commitment to visit.

I want to make some comments here this morning that will probably not be new to you. These are issues that are critically important to my constituents in so many of our remote Alaska communities.

During last year's budget hearing, I did invite you to come north to visit Alaska Native communities first-hand, and you joined Claude Allen, the President's top domestic policy advisor at that time, you visited some hot spots, Kasigluk, Atmautluak, Nunapitchuk, and I suppose if you can pronounce them and then spell them you get extra credit this morning. You went to some very remote parts of the Country, and I know that during your visit, the water and sewer conditions that you saw, I think, made an impression in terms of what you observed. These communities often rival the conditions in Third World countries as it relates to their water and sewer needs.

Residents in some villages in Alaska have to go to central water sources in the community to get their fresh water. This is from a well source, not very sophisticated. Kind of like the tripod system back here, I think we will just use human hands here. A very unsophisticated source, where this is where everybody goes to get their clean water.

Instead of flushing toilets, what you saw was the use of a honey bucket, again, a very unsophisticated device, but this is what we use in many of the communities to this day. In our clinics, honey buckets are being used. The honey bucket is nothing more than a toilet seat that you buy at the hardware store over a plastic bucket. When the honey bucket is full, you take it down the boardwalk or you haul it out down the trail and you usually dump it in the sewage lagoon. You either dump it in the lagoon or you dump it in the water. Sometimes these dump sources are located next to sources of drinking water.

This last picture here is an area where not only the waste from the community is dumped, but this is where the human waste is dumped. As you know, these locations are not miles away. These are just on the edge of the community. Sometimes the community grows up around them.

I use the pictures this morning to again impress upon the need for continued action, continued funding when it comes to village safe water. When we look at the sanitation aspects and the impact on health, there is a very immediate, a very direct connection. We had the budget hearings yesterday in the Indian Affairs Committee. When I have an opportunity to talk to Dr. Charles Grim, the Indian Health Service Director, about the health aspects of Alaska natives, it is directly and immediately tied to the sanitation issues.

Infants in the Alaska Native villages with less than 10 percent of homes with water and sewer service are 11 times more likely to be hospitalized for pneumonia, 5 times more likely to be hospitalized for lower respiratory tract infections. So as you know, Mr. Administrator, I have very grave concerns about the Administration's proposed budget cuts to the EPA program that addresses the basic drinking water and sewer needs of these communities.

The Administration is proposing a 57 percent reduction in EPA funding for this program. This funding goes to the State of Alaska's Village Safe Water program, which provides the matching funds and works with non-profits and other Federal agencies to make sure that we are getting the funding that the communities need.

In previous years, the Department of Agriculture, their Rural Development Administration, has also provided funding for the Village Safe Water program. In their budget request, the USDA doesn't include any funding, zero funding for the program, and I am very, very troubled by that. So the budget outlook for this critically important program is really very bleak at this time.

If you include both the funding stream from your Agency as well as the Department of Agriculture, the Administration is essentially requesting a 75 percent funding cut for the program, which is unacceptable. I do realize as we have had the conversation that those in EPA and OMB don't see this funding request as a cut, because last year's request was approximately the same.

We certainly, in Alaska, see this as a cut. In fact, when the budget was announced last week, the front page in the State's largest newspaper announced that Alaska bush water funding could be cut. So we believe very strongly that this is not holding steady, that this is a cut that has a devastating effect.

Now, according to the budget document that was released, there is a suggestion that this low funding request is related to the PART report that was issued in 2004. I know that the State Department of Environmental Conservation is working to address the various concerns. I know that there have been efforts made on both ends to make sure that the accountability is there. We have had a discussion in that vein as well. I am concerned that the Administration has requested a low level of funding, even when both the State of Alaska and EPA have undertaken the efforts to very directly address the concerns that were raised in that PART report from 2004.

I do want to underscore that the Federal funding for the State of Alaska's Village Safe Water program has been a huge success. We have seen dramatic progress. Over 200 rural Alaska communities have received funding from the program. Approximately 95,000 rural Alaskans have benefited from it. So we are seeing the

progress, but we know that there is yet great need. Thirty-three percent of Alaska's rural homes still don't have running water and sewer.

In planning for the rural water and sewer projects for the next 3 years, the State of Alaska, EPA and USDA have identified approximately $206 million in project needs. So we have a long way to go. We are making progress, but we need to have your continued help.

I know that my time has run out, Mr. Chairman. I appreciate the opportunity to highlight these concerns. We do have other areas that we will be discussing in terms of where we feel we need a little bit of help. I wanted to take the time this morning to again highlight the very important need for this particular program. So we would appreciate your help with it.

[The prepared statement of Senator Murkowski follows:]

STATEMENT OF HON. LISA MURKOWSKI, U.S. SENATOR FROM THE STATE OF ALASKA

Thank you, Mr. Chairman. I am pleased that the committee is holding a hearing to examine the EPA's Fiscal Year 2007 budget and that Administrator Johnson is able to appear before the committee today.

There are a number of issues that I'd like to address today the first of which has critical importance to my constituents in remote Alaska Native communities.

During last year's budget hearing, I invited the Administrator to travel to Alaska to visit rural Alaska Native communities firsthand. I'm pleased that Claude Allen, the President's former top domestic policy advisor, and the Administrator were able to visit the villages of Kasigluk, Atmautluak, and Nunapitchuk, among other Alaska communities, last August.

As they saw during their visit, the water and sewer conditions in these communities often rival the conditions in third world countries. For example, residents in some villages in Alaska have to go to a central source in the community to get fresh water. This source is often a well and, in some cases, a nearby river. Instead of flushing toilets, residents in some villages have to use a device called a "honeybucket." This device is a large bucket with a toilet seat on top. When the honeybucket is full, it is usually dumped in a sewage lagoon or on land. Sometimes, these dump locations are near sources of drinking water.

This lack of sanitation has a startling effect on the health of the residents of these communities. According to the Centers for Disease Control, infants in villages with less than 10 percent of homes with water service are 11 times more likely to be hospitalized for pneumonia and 5 times more likely to be hospitalized for lower respiratory tract infections.

I have grave concerns regarding the Administration's proposed Fiscal Year 2007 budget cuts to the EPA program that addresses the basic drinking water and sewer needs of these communities. The FY07 request for this program is $14.85 million, while the FY06 enacted level is approximately $34.65 million. That's a 57 percent reduction in funding. This funding goes to the State of Alaska's "Village Safe Water" program, which provides matching funds and works with non-profit and other Federal Agencies to ensure that this funding gets to the communities that truly need it.

In previous years, the Department of Agriculture's Rural Development Administration has also provided funding for the Village Safe Water program. The FY07 request for USDA does not include any funding for this program. I am quite troubled by that. The FY06 enacted level is $25 million.

The budget outlook for this critically important program is quite bleak at this time. Including both streams of funding, the Administration is essentially requesting a 75 percent funding cut for this program. Frankly, this is unacceptable.

I realize that EPA and OMB does not see this funding request as a cut since this year's request is approximately the same amount as last year's request $15 million. However, both my fellow Alaskans and I see this as a cut. In fact, there was an article about this on the front page of the Anchorage Daily News the day after the budget was submitted last week. The headline was "Alaska Bush water funding could be cut" and the sub-headline was "Federal Budget: Program aiding rural dwellers listed as 'ineffective'".

According to the "Major Savings and Reforms in the President's 2007 Budget" document that was also released last week, the low funding request was linked to the negative PART report issued in 2004. That PART report rated this program as "ineffective." The budget document states "The funding reduction will be reconsidered once the program can demonstrate that funding is likely to effectively and efficiently help villagers."

I know that the State of Alaska's Department of Environmental Conservation is working to address the various concerns raised about this program. Specifically, they have the following initiatives underway: (1) implementing procurement and contracting improvements, (2) hiring an in-house accounting staff, (3) implementing a new project accounting system, (4) implementing a new project tracking and reporting system, and (5) improving project management generally. In addition, the State of Alaska has informed me that they have been working with EPA Region 10 to address issues of concern.

I am concerned that the Administration has requested a low level of funding even when both the State of Alaska and EPA have undertaken an effort to address the concerns raised in the PART report, the EPA Inspector General's audit, and the Alaska Legislature's audit. In fact, the State of Alaska has requested that OMB conduct another PART assessment in order to document this program's improvements. However, they have so far not agreed to reassess this program. In effect, this funding reduction penalizes Alaska for OMB's failure to conduct a timely PART reassessment.

I want to underscore that the Federal funding for the State of Alaska's Village Safe Water program has been a success over the years. Over 200 rural Alaska communities have received funding from this program and approximately 95,000 rural Alaskans have benefited from it.

However, there is still a great deal of need. Thirty-three percent of rural homes in Alaska still do not have running water and sewer. In planning for rural water and sewer projects for the next 3 year period, the State of Alaska, EPA, and USDA have identified approximately $206 million in project needs.

I'd like to address a few other issues of note in EPA's budget request.

The State of Alaska informs me that the 16 percent reduction in funding for the State and Local Air Quality Management program, along with effectively increasing state match requirements will eliminate efforts to assess and correct air quality issues in remote Alaska Native villages from diesel generator exhaust and dust. The budget request also includes $50 million for the Clean Diesel Initiative. This funding might help other states but the State of Alaska informs me that the language of the budget request will disqualify almost all Alaska entities from applying for these grants. Both of these budget items are of concern to me since many remote Alaska Native villages use diesel generators as their primary power source it is usually their only option since these villages are not on the road system and are far from major power grids.

I am also concerned that the budget includes a 23 percent reduction in funding for the Clean Water State Revolving Fund loan program. This funding is intended to help communities finance sewer-related infrastructure projects. This cut will lower the amount the State of Alaska has available to loan to communities. Approximately one and a half percent of this fund is set aside for grants to tribes or Alaska Native Villages. Subsequently, the State of Alaska informs me that this budget request will also reduce the amount available to Alaska's remote Native Villages to address sewer-related needs by approximately $1 million.

In effect, the Administration's Fiscal Year 2007 budget request for EPA hits Alaska hard, particularly remote Alaska Native communities.

With regard to Village Safe Water funding, the proposed reduction in the President's budget unfairly punishes Alaska Natives and other rural Alaska residents for shortcomings that both the State of Alaska and EPA are working to address. I want your commitment to help ensure that OMB recognizes the work that is underway to improve this critically important program.

I have nothing further. Mr. Chairman, thank you once again for holding this hearing.

Senator INHOFE. Thank you, Senator Murkowski. This will conclude our opening statements.

We will start using the same first come, first served basis line of questioning. Let me ask a question, maybe this would be better—oh, that's right. She reminded me you haven't testified yet.

[Laughter.]

Senator INHOFE. All right, make it quick.

[Laughter.]

STATEMENT OF STEPHEN L. JOHNSON, ADMINISTRATOR, U.S. ENVIRONMENTAL PROTECTION AGENCY ACCOMPANIED BY: MARCUS PEACOCK, DEPUTY ADMINISTRATOR; AND BENJAMIN H. GRUMBLES, ASSISTANT ADMINISTRATOR, OFFICE OF WATER

Mr. JOHNSON. Yes, sir. Mr. Chairman, Senator Jeffords and members of the committee, I am pleased to be here today to discuss with you the President's fiscal year 2007 budget request for the Environmental Protection Agency. The President's budget reflects his continued commitment to providing the critical resources needed for our Nation's highest priorities: fighting the war on terror, strengthening our homeland defenses; and sustaining the momentum of our economic recovery.

The President's pro-growth economic policies coupled with spending restraint will keep the Government on track to cut the deficit by more than half by the year 2009. As the President said in the State of the Union address, "Keeping America competitive requires us to be good stewards of tax dollars." The President's budget exercises this fiscal discipline by focusing on priorities while targeting resources.

EPA shares in the responsibility of being good stewards of tax dollars. In keeping with the need for spending restraint, the President has included $7.3 billion to support the work of the Environmental Protection Agency and our partners nationwide in his budget. This budget fulfills every Presidential environmental commitment and maintains the goals laid out in EPA's strategic plan while spending less.

As you may know, throughout the year, we at EPA are celebrating the 35th anniversary of the Agency's founding. As we look back, we see much to celebrate our air is cleaner, our water is purer, and our land is better protected. These national successes have continued to advance under the leadership of President Bush.

Since 2001, air pollution emissions have been reduced by 10 percent and over 1,400 abandoned industrial sites have been restored to productive use through the Brownfields program. From 2002 to 2003, toxic chemicals released into the environment declined by 6 percent. In 2004 alone, 800,000 acres of wetlands were enhanced. Over these years of environmental gains, our economy's gross domestic product has increased 10 percent, clear evidence that a growing economy and environmental results can in fact go hand in hand. The President understands this.

When I accepted the position of EPA Administrator, President Bush charged me with accelerating the pace of environmental progress while maintaining our Nation's economic competitiveness. As we prepare for tomorrow's environmental challenges, EPA will meet the President's charge by focusing on three principles.

The first is results and accountability. EPA must operate efficiently, effectively and competitively. At EPA, we focus on environmental outcomes, not environmental programs, so we can hand the American people a cleaner, healthier environment. The President's budget includes three programs that have been delivering some of the longest standing and greatest environmental successes. The

President requested nearly $1.3 billion for the Superfund program, that is a $17 million increase over last year's enacted budget; $841.5 million for the Drinking Water State Revolving Fund; and $688 million for the Clean Water State Revolving Fund.

The second principle is innovation and collaboration. By focusing on cooperation over conflict, and by developing collaborative partnerships, EPA and our partners are accelerating the pace of environmental protection by promoting market-based strategies, advancing stewardship opportunities and investing in breakthroughs in new, innovative technologies.

The Great Lakes program is an excellent example of regional and international collaboration, and in his budget, President Bush requested over $70 million to clean and protect the Great Lakes. This includes $50 million for the Great Lakes Legacy Act cleanup program, an increase of over $20 million over last year's enacted budget, demonstrating a true commitment to preserving this natural wonder.

Our President understands the importance of our waters and in his budget he requested $26 million for the Chesapeake Bay program. This increase of $4 million over last year's enacted budget will help accelerate the restoration of this national treasure.

As the President said in his State of Union address, breakthroughs in new technology are empowering our economy and dramatically improving our environment. Nowhere is this more apparent than the Administration's investment in energy innovation. Since 2001, our Nation has funded nearly $10 billion in developing energy sources that are cleaner, cheaper and more reliable. EPA plays a substantial role in this effort through the implementation of the Energy Policy Act of 2005. The President's budget request for 2007 includes over $100 million to support the development and implementation of the renewable fuels standard rulemaking, to strengthen the measures for underground storage tanks, and to support programs to reduce diesel emissions from existing engines.

The third principle to accelerate environmental protection is best available science. The President shares this commitment to sound science. In his 2007 budget request for EPA, he includes $7 million for a Water Infrastructure initiative. These funds will allow EPA to conduct a major research effort to reduce the cost of operation, maintenance, and replacement of aging drinking water and wastewater systems.

This focus on science is also evident in the budgets funding to study the impacts of manufactured nanomaterials on human health, funds for the Integrated Risk Management Information System, and investment in the Computational Toxicology program. These three principles that I mentioned are consistent with the President's mandate to create a Government that is citizen-centered, results-oriented, and market-based.

Before I conclude, I need to mention EPA's responsibility in supporting the President's top priority: the safety and security of the American people. EPA has a responsibility in protecting our citizens and our environment from the effects of attacks using chemical, biological, and radiological agents, with special responsibilities for water security and decontamination efforts.

For 2007, the President has requested $184 million for homeland security efforts, an increase of $55 million over last year's enacted budget. While our Nation is at war, EPA is tightening its belt, while maintaining our commitments to the American people. The President's budget focuses on the programs that effectively deliver environmental results, while providing $540 million to fund our continued efforts to vigorously enforce our Nation's environmental laws.

By reaffirming our commitment to results and accountability, innovation and collaboration, and the best available science, the funding of the President's budget will allow EPA to meet the environmental challenges of the 21st century and beyond. That concludes my prepared statement, Mr. Chairman. I would be pleased to answer any questions you and members of the committee may have regarding EPA's work and our fiscal year 2007 budget request.

Senator INHOFE. Thank you, Mr. Administrator.

I would like first of all to ask, perhaps Mr. Peacock would be a better one to answer this question, though, so that I understand it, the two areas that you have reduced by approximately $200 million are the members' requests and the Revolving Fund, is that correct?

Mr. PEACOCK. That is correct.

Senator INHOFE. All right, then, if the total or the net reduction is $310 million, that means somewhere else there is a net increase of $90 million. Am I correct there?

Mr. PEACOCK. That math works, yes.

[Laughter.]

Senator INHOFE. I wanted to make sure my notes were right on that. Because everyone up here in opening statements has complained about the State Revolving Fund, about the benefits and about the problems that we are having in our respective States. I think certainly Senator Murkowski points out unique situations that occur in Alaska, but not all that unique. Because we have the same problems. As I mentioned in my opening statement, 80 percent of our communities are having this problem with the clean water.

I can allay the fears of anyone on this committee in terms of the fact that the Revolving Fund is not going to be there. That is going to be reinstated. I think you knew that. I told you this during confirmation time. Also, several times we have discussed the fact that all too often, you put something in there as a reduction that you know will be reinstated during the process somewhere. These are two things that will be. I know that, you know that, everyone in this room knows that. I think all the members up here have expressed their feelings about that.

So what I am going to ask you to do is to go back. I recognize we have OMB and the Administration that want to deal with on this. But reinstating those, still come up with the goal of a net reduction, Mr. Peacock, of $310 million and let us look at it and see if it is something that can be more accepted by this committee. There are a lot of things that we can do to force this, but we think this is a very reasonable approach. And again, we talked about this before. Making reductions in areas that we all know are going to be put back in as it goes through the process is something that we

can't continue to do. We don't want to start with this budget process to keep from doing that.

Do you have any thoughts about that?

Mr. JOHNSON. Mr. Chairman, I do appreciate the comments. As Senator Jeffords pointed out, there clearly is a gap for our Nation's water infrastructure. The gap, as was mentioned, is on the order of about $270 billion. As we put together the budget for 2007, we looked at a couple of things. One is, historically, no Administration carries over congressionally mandated projects, earmarks, if you will. That has been, certainly in my 25 year history of EPA, through multiple Administrations, always been the case.

Senator INHOFE. What has always been the case? Repeat that.

Mr. JOHNSON. We have not carried over congressional earmarks from year to year in total.

Senator INHOFE. OK.

Mr. JOHNSON. The second is, looking at what are the President's commitments and the Administration's commitments are. With regard to the Clean Water State Revolving Fund, the President committed that there will be sufficient funds in that fund so that the fund would revolve at an annual amount of $3.4 billion. We are on track to meet that. This budget achieves that.

So while the needs are great, there is no question the needs and the gap are tremendous, it is a question of how we are going to get there. That is one piece, the Revolving Loan Fund.

Second, as I mentioned, there is money in this budget to help innovative technologies. We need to invest in innovative technologies to help solve this problem. Obviously, the systems need to be sustainable. There are a number of pieces to sustainability, including full cost pricing, ratepayers have a role to play, the Federal Government has a role to play. Using technology there are things we can do to also help in the water quantity issue. We have some ideas in that.

We believe and I believe, it is not just one solution for the Clean Water and the Drinking Water Revolving Loan Funds. If my numbers are correct, the Drinking Water Loan Fund is actually up by $4 million from what was enacted.

So it is a combination of those Revolving Loan Funds. It is also use and focusing on technologies to help us deal with this gap. It is also helping.

Senator INHOFE. Mr. Administrator, I appreciate that.

What we are going to do, we are going to have two rounds of questions, at least, maybe more. We are going to try to stay within our 5 minutes, and I am going to set that example.

Senator Jeffords.

Senator JEFFORDS. The President's budget proposes to reduce the funding provided to the States for the implementation of the environment and public health programs for the third straight year. Federal funds are about one-third of the budgets for State programs. Budget reductions combined with increasing workloads may lead some States to determine they can no longer continue to sustain all of their delegated programs and they may return them to the Federal Government.

With the further reduction of funding for State program implementation, is EPA prepared to handle the workload associated with the return of delegated programs?

Mr. JOHNSON. We are certainly committed to work with our State partners and tribal as well as territory partners, as we have in the past. In fact, when you look at the State assistance grant reductions that are part of the 2007 budget and compare that to EPA's operating budget, actually EPA's operating budget represents a 3.8 percent decrease and the State grants represents a 2.1 percent decrease.

So again, we are operating in an environment of fiscal restraint. We are trying to do this in an informed way so that we would be good stewards of the environment and also good stewards of taxpayers' dollars given the fiscal constraint we are dealing with.

Senator JEFFORDS. International Paper. I was attorney general, so this is bringing old problems back to focus again. You are probably aware, the International Paper Company is seeking a permit to burn tires for fuel at its plant in Ticonderoga, NY. That can release dangerous particulate matter, even under short term exposure conditions. Breathing particulate matter can cause numerous health effects, including premature death.

That is why I have asked the Ticonderoga plant to do what other plants that burn tires have done: install electrostatic precipitator or a fabric filter. So far, the company has refused.

My question is this. In the absence of controls, can you assure us that allowing the plant to burn tires will not have any adverse consequences on the people of Vermont and New York?

Mr. JOHNSON. Yes, Senator. I am very familiar with the pulp and paper mill issue. As it stands today, New York has not issued the final permit for the test burn. The next step in the process would be for them to do a test burn which will be fully monitored. We have been working with both your State and Senator Clinton's State in making sure that this test burn is done appropriately.

Following the results of that, we will all evaluate it. It is certainly our belief that should the test burn be successful, that before a final decision would be made with regard to using it as a fuel source, that they would need a revised permit. Of course, as you are well aware, there is a structured process that one has to go through to make that happen.

Senator JEFFORDS. I assure you I will be watching this very closely.

Mr. JOHNSON. Yes, sir.

Senator JEFFORDS. According to Dr. James Hansen, Director of NASA's Goddard Institute for Space Studies, 2005 was the hottest year on record. Dr. Hansen has warned us that the earth's climate is nearing, but has not passed a tipping point beyond which it will be impossible to avoid climate change with far-ranging, undesirable consequences. According to Dr. Hansen, such consequences would "constitute practically a different planet." The Administration's response to global warming is to set a voluntary goal of "intensity reductions" which would still allow actual increases in greenhouse gas emissions. The Administration also opposes any further discussion of binding international commitments for the period of 2012.

Given the importance and the urgency of taking real action on climate change now, how can we be sure that the Administration is doing enough to stop irreversible climate change?

Mr. JOHNSON. Senator, climate change is a very important topic. In fact, as an Administration, the President has been investing approximately $5 billion a year, both in research as well as technological solutions. EPA plays a portion, a small portion, in the 2007 budget, I believe. It is about $100 million.

Our focus from EPA's perspective is on a number of programs: Energy Star, which is a very highly successful collaborative program encouraging people, both domestically and internationally, to move toward Energy Star products, because they reduce the energy consumption. Obviously that has an effect on climate change and greenhouse gases in particular.

We have launched a program called Methane to Markets. Where methane is a potent greenhouse gas, it is also an energy source. We using technology to capture that gas and to use it, not only to capture it to protect the environment but also to use it as an energy source. We believe we can export that technology and in fact are doing so with other countries.

Another area which we have been very actively involved in is the Climate Leaders program, working with industry to help them to use these technologies to achieve great input. Then the last item, which is an item that EPA has a $5 million request as part of this budget, and it is called the Asia Pacific Partnership. We will work with major Asian countries, such as China and India, to help bring our technology to bear to help deal with global climate change. This is part of a $52 million Government-wide program.

Senator JEFFORDS. Thank you.

Senator INHOFE. Senator Murkowski.

Senator MURKOWSKI. Thank you, Mr. Chairman.

Administrator Johnson, I know that you knew I was going to focus on the water and sewer infrastructure funding. I would like to give you an opportunity to discuss what you saw. The pictures that I have presented were pictures that I and others on my staff have taken. I want to know your impressions of what you saw. I don't expect you to take very much time. I just want you to state for the record what it is that you saw on your visit.

Senator INHOFE. Let me ask you, Mr. Administrator, to try to be more concise and brief in your responses, because you are using up all the time that we have to ask questions.

Mr. JOHNSON. Yes, sir.

The pictures do not do the issue justice. I appreciate the time and energy you spent taking me around and showing me. It is a serious problem and it is one that needs to be corrected for the public health of the citizens of Alaska.

Senator MURKOWSKI. I thank you for that very direct statement.

Then the next question is of course the troubling one, recognizing that, how do you reconcile the reduction in the budget request? How are we going to make the progress that you recognize that we need to do?

Mr. JOHNSON. Given the available funds, we want to invest those and use those wisely. Of course, we appreciate the work that both the State and certainly our regional people have done to help make

sure that we are delivering the results, that we have good grant accountability, and that we have very good accounting practices. We have made significant progress and I am trusting that between us we will be able to correct the problems of the past this year.

Senator MURKOWSKI. Let me ask you about the accountability aspect of it. Because that was what was raised in that PART report. There is a conflict between what I understand the reason for the reduction was, which is basically all areas were taking a reduction. Then the budget document refers to the PART report. How much weight was given to that 2004 report given the progress that you acknowledge we have made with this program?

Mr. JOHNSON. In my judgment, we do not carry over congressionally mandated projects. So whatever those were, and this happened to be one, a portion of it, that was not carried over. That was the first, as we prepare our budget submissions.

The second, it was recognized that it did go through the PART assessment and there were deficiencies found. We acknowledged that last year. This year and last year, we have made great progress. Certainly it is my hope that we will be able to close that. In fact one of the issues I would like to talk to you about is actually re–PARTing, of having the folks come back in and do a re-program evaluation. I think when we take the steps that we are taking, it will address that and the issue will be put aside.

Senator MURKOWSKI. Recognizing then the progress that has been made in improving the management here, in your opinion what remains to be done? What do we need to address so that we make sure that that PART report comes back good and sound?

Mr. JOHNSON. I think certainly the remaining piece that I am aware of is the reconciliation of financial accounts that have been done, and particularly focusing on this Spring and successful tracking of projects by the Indian Health Service. I think with those two aspects, they are the key pieces.

I also would like to note, Senator, that one of the issues that has been part of the, if you will, earmarks from year to year, is the Alaska Operations Office. There is a small staff of eight people and about a little over $1 million, $1.5 million. Having seen the need first hand, I felt it was important that that group of people not be subject to congressional mandate projects, but be part of our base operations.

This budget reflects it as part of the base operation, again, trying to show that we are committed and believe that there are real needs in Alaska. Alaska, as I found out first hand, is very large.

Senator MURKOWSKI. That's an understatement.

Thank you, Mr. Chairman.

Senator INHOFE. Thank you, Senator Murkowski.

Senator Lautenberg.

Senator LAUTENBERG. Thank you, Mr. Chairman.

Sir, we were all kind of torn by committee hearings that are going on in different places, different committees at the same time. So we have to jump in and we hope that the question that we will ask has not already been answered.

Mr. Chairman, I ask consent that my full statement would be included in the record as if read.

Senator INHOFE. Without objection, so ordered.

Senator LAUTENBERG. Mr. Johnson, we are glad to see you and believe that you can't be really satisfied with the tools that you are getting to do this job, the tools being money. Your own Agency has estimated a need of $388 billion over the next 20 years, to modernize and upgrade the Nation's wastewater treatment infrastructure. The investment is needed to keep sewage and chemicals and other pollutants out of the waters that we use for not only drinking and household use, but recreational, fishing and swimming, particularly important for our kids.

Without that money, aren't we placing America's health at risk in a significant way?

Mr. JOHNSON. Senator Lautenberg, with regard to the Clean Water State Revolving Loan Fund, as Senator Jeffords mentioned, the need is great. It is on the order of $300 billion. So we need to do everything we can to try to close that gap, obviously first honoring the President's commitment which is revolving loan fund of approximately $3.4 billion. This budget helps to achieve that. We are looking for innovative technologies to try to solve the problem, working with our States and communities. Ratepayers play a key role as well.

So it is not just one solution. The need is great, but working together, we can make some significant progress.

One last thing that I didn't mention was that I did ask, in a letter to our financial advisory board, consisting of an independent group of experts, to advise us on financial matters. This particular topic is something that I have put before them, and I should be getting the report some time this Spring. These independent financial experts may help us think through whether there are innovative ways that we can help address this problem from a financial standpoint.

We are looking at it from a technology, we are looking at it from a financial innovative standpoint, we are looking at it from a sustainability standpoint.

Senator LAUTENBERG. Does financial innovative mean more money?

[Laughter.]

Mr. JOHNSON. We know we need more money, but the need far exceeds what EPA's budget would ever be. So how are we going to solve that problem?

Senator LAUTENBERG. I think since you are our man in the ring, you have to fight harder to try to get the resources you need. Because the job that you are required, expected to do, is very important. You have seen this report issued by your Agency. When we see the human health benefits, for instance, from acid rain programs, and ozone reduction and see the monetary value by paying attention to the program, the clean air, potential savings over $100 billion a year.

More importantly is the number of cases that are put upon our citizens because of problems from acid rain and $PM_{2.5}$ and ozone reductions. Those programs put enormous pressure on us as legislators, as representatives of the people, to try to get something more done. It is painful, in my view. I am troubled about what happens with the $35 million cut that EPA proposes to cut to help States attain air quality standards. We need to continue improving the

quality of our air and setting the standards that protect the public health.

Now, you are aware that air pollution can trigger asthma attacks among children, 6 million that have childhood asthma. One of those kids is my oldest grandson, who is 12 years old. You have perhaps heard me say this before, when my daughter takes him to play sports, that one of the first things that she does is look for where the nearest emergency clinic is. Because if he runs and gets exhausted and so forth, it is not unusual that he is taken to the hospital. It is painful to see. That situation is being seen all across the Country.

So how do you feel about the $35 million of cuts that are going to reduce our capacity to protect these kids?

Mr. JOHNSON. The Clean Air Act has a requirement that for continued monitoring programs, there be a 40 percent cost share by the States. When we issued the final $PM_{2.5}$ or the fine particle regulation, we established monitoring programs at the States for that pollutant. The Federal Government has been paying for that 100 percent since 1997.

Now it is time, as the Clean Air Act directs us, to transition to that cost share of 40 percent. That is what we are in fact doing. We are trying to abide by what the Clean Air Act says.

Senator LAUTENBERG. That is not going to make up——

Senator INHOFE. Senator Lautenberg, we will have another round, so you will have another chance. We are trying to stay within the timeframe.

Senator LAUTENBERG. I will get out of your way and——

Senator INHOFE. No, I want you to have another full 5 minutes.

Senator LAUTENBERG. Can I ask a final question? Do my colleagues want to vote on it?

Senator INHOFE. If it's all right with Senator Carper and Senator Thune, that's fine with me.

Senator LAUTENBERG. That is this. We have a site, Mr. Chairman, in New Jersey called the Ringwood Mine site. It was delisted in 1994. However, and I have been up there, additional toxic sludge has been found repeatedly at the site since then. Region II Administrator Steinberg supports relisting this site.

Will you commit to relisting that site by the end of this year?

Mr. JOHNSON. Senator, we are in the process of relisting that site on the NPL listing now. I am not sure about the specific timing, but we are in the process of doing that. Our intent is to relist that site.

Senator LAUTENBERG. All right. It shouldn't take forever to do that, right?

Mr. JOHNSON. I would not think so.

Senator LAUTENBERG. Mr. Chairman, you have been generous. Thank you very much.

Senator INHOFE. Senator Carper.

Senator CARPER. In a minute or two, Mr. Johnson, I am going to ask you a question relating to clean coal technologies, as part of a best available controlled technology determination. I am going to ask you about that.

Before I do, we keep coming back to this issue of the Clean Water Revolving Fund. You have mentioned a time or two in your

testimony today, trying to figure out how to harness innovation and technology to stretch further the dollars that we do have to spend. I was having a sidebar conversation with Senator Clinton, talking about the magnitude of the challenges that we face in some of our urban areas with respect to combined sewer overflows. It is a daunting challenge in my little State, in Wilmington, especially. I can't imagine what it's like in a place like New York, or New Jersey, for that matter.

We are being asked to, as we look at the amount of money that's in the budget here for Clean Water Revolving Fund, I think we are being asked to in the aggregate live with about a 25 percent reduction. I think that's, if I'm reading the numbers right, and if I'm wrong, correct me. It is a cut of about $200 million.

Mr. JOHNSON. It's about $199 million, yes.

Senator CARPER. We are trying to find ways to do more with less in Wilmington, DE in combined sewer overflows. We have actually borrowed some technology from St. Louis, some things that they are doing that we think are encouraging.

Let me just ask you, if you and Mr. Peacock might be able to share with us, if we end up with $200 million less as a Country to work with on problems we could easily spend tens of billions of dollars, as you know, what are some ways that you have heard or seen around the Country where innovation and technology is enabling jurisdictions like ours to do more with less in this regard?

Mr. JOHNSON. Well, I don't have a specific technology that I have seen that's been the answer. What I have heard from a number of communities, in fact I was just out in California last week and saw a brand new wastewater treatment system that we are using a number of cost effective and sustainable technologies that they believe will not only work, but they will be sustainable for generations to come.

One of my goals is to try to take that experience that you just mentioned and bring that information together so that for communities that are struggling or do have problems, we can bring all the forces to bear to try to help them. Our research and development effort has been working on that. Again, as I said, we have some new moneys in the 2007 to even further help that.

Mr. PEACOCK. I just wanted to mention, we are requesting $7 million in research and development for technology, some of which already exists, to identify and repair leaks in water systems. You can identify them much faster and then repair them much more easily than with the technology we have today, which is more hit or miss.

Senator CARPER. Do you have a center for best practices that the States and localities can visit, a web site or something like that, where real people will tell them?

Mr. JOHNSON. May I ask Ben Grumbles, who is our Assistant Administrator for Water?

Mr. GRUMBLES. Senator, your questions are right on point. One of the focuses of the Office of Water is on sustainability. That means watershed management to help respond to the concerns about sewer overflows, to use technologies and innovations upstream in the watershed, more wetlands used, or buffers. Also re-

ductions in the use of water, voluntary measures that can help reduce the flow coming into the sewage treatment plants.

There are a lot of technologies. Our web site, epa.gov/water, has a wastewater management section in it that talks about technologies to help further reduce the flow. Also to trap the floatables that might occur before they go into the stream at the emergency outfalls.

[The referenced material can be found on page 73.]

Senator CARPER. Good, thanks. Let me just offer a trade or a swap. Thank you very much for that. We will share with you what we are doing in Wilmington and St. Louis with respect to doing more with less on CSOs. If you could share with us some further information that Mr. Peacock alluded to, that would be most helpful.

Two other things and I'm done. One of those is, I'm going to be submitting for the record a question, and it was an issue raised by some home builders in Delaware with respect to stormwater runoff and EPA's plans to address that. Not a new issue, an old issue. I would just like to send a question for the record and ask you to respond.

The other thing I want to say, and then I'm done, but the budget the President has provided to us and submitted to us provides about $5 million for EPA's participation in something that's called the Asia Pacific Partnership on Clean Development and Climate. I think the partnership aims to promote development and transfer of cleaner, more efficient technologies that can address greenhouse gas migration and energy security. It seems to me a good way to promote the development and transfer of cleaner technologies is to promote their development right here in the United States.

However, I'm told that EPA recently issued guidance in the form, I believe, of a letter to a consulting company named E3 Consulting. In this guidance document, EPA declared that when States are processing an application for an air permit for a new coal plant, they don't need to consider clean coal technologies like IGCC as part of the best available control technology determination.

Here is my question. The President is going to spend, or would have us spend $5 million trying to promote the development and transfer of cleaner, more efficient technologies. It just seems to me that the Agency's policies should reflect that commitment. I would just like to ask if you might reconsider this guidance, in light of the President's technology development priorities.

Or at the very least, I would ask that you open the issue up to public comment, so that the Agency can learn more about the potentials of these clean coal technologies.

Mr. JOHNSON. First, we are very supportive of, and in fact, there is, as you are probably well aware, there is a tax credit for Integrated Gasification Combined Cycle (IGCC) as part of the 2005 Energy Act. The issue that came before us is IGCC to be used as a best available control technology. It was our judgment that it was not a candidate to be considered under best available control technology for a number of reasons. One of those reasons again, in our judgment, was that if one were using one of these, it would probably require a redesign of the emission source, which we don't consider to be part of a best available control technology.

I understand what you're saying. We are certainly very supportive of the technology. We just don't believe that IGCC really is and should be considered as a candidate technology.

Senator Carper. Thank you. Thanks, Mr. Chairman, thanks for the time. This is one we would like to follow up with you on in particular. Thank you very much.

Senator INHOFE. Thank you, Senator Carper.

Senator Clinton.

Senator CLINTON. Thank you, Mr. Chairman.

Administrator Johnson, I just want to confirm that there will be no further delays in implementing the ultra-low sulfur diesel fuel, is that correct?

Mr. JOHNSON. That is correct.

Senator CLINTON. Thank you.

Last year, Chairman Inhofe and I worked together on a provision included in the Highway bill to make diesel retrofits on non-road vehicles eligible for funding under the Congestion Mitigation and Air Quality (CMAQ) program. The incentive would arise from guidance that EPA agreed to issue, which would enable municipal planning organizations to get conformity credit with the emission reductions achieved by funding diesel retrofits with Congestion Mitigation and Air Quality (CMAQ).

Will that guidance be issued in the near future? Will it provide a sufficient incentive for the municipal planning organizations to use their CMAC allocation?

Mr. JOHNSON. Let me first say, Senator, thank you for your support on the diesel campaign, to get diesel emissions under control. In fact, the President's budget reflects the $49.5 million for diesel retrofits. This is a competitive grant program, one that we want to see implemented quickly because of the health benefits.

With regard to the conformity credit issue, I am not sure myself. Let me get back to you for the record.

[The referenced material can be found on page 72.]

Senator CLINTON. If you could get back to us, because this is something that I worked on with the Chairman. We think it holds a lot of promise.

Mr. JOHNSON. OK.

Senator CLINTON. With respect to a recent Environmental Quality Institute study, which found from interim data in a national study to determine mercury levels in hair samples, one out of every five women of child-bearing age exhibited mercury levels higher than the one microgram limit recommended by the EPA. The researchers noted these increased mercury levels were directly related to levels of fish consumption.

This report follows recent disclosure that cans of white tuna, one of the fish that was listed in the 2004 joint EPA–FDA advisory on mercury and fish as a lower risk often contains albacore tuna, which is likely to contain unsafe levels of mercury. Therefore, it troubles me, because consumers who are trying to be diligent, following the guidelines, may unknowingly be exposing themselves to higher mercury levels.

Given this new information, I would suggest that the EPA and FDA make additional information about mercury in fish available

to consumers and at least consider, I would argue, please do, update your joint advisory. Would you look into that, please?

Mr. JOHNSON. I will be happy to look into it, yes.

[The referenced material can be found on page 74.]

Senator CLINTON. Also, I want to raise a question about rat poisoning. In 1998, the EPA determined that rat poison exposures were an unreasonable health risk in violation of Federal pesticide laws, and refused to approve rat poisons unless manufacturers included two safety measures to protect children: an ingredient that makes the poison taste more bitter and a dye that would make it more obvious when a child ingested the poison.

In 2001, however, EPA revoked these safety regulations, announcing it had come to a mutual agreement with the rodenticide manufacturers to rescind the bittering agent and indicator dye requirements. According to the Poison Control Center data, the number of reported child poisonings has increased annually since EPA's policy reversal. This is not hypothetical, this is looking at the data. Between 2001 and 2003, poison control centers reported nearly 60,000 cases nationwide of poisonings by rat poisons, more than any other pesticide. Roughly 250 of these result in serious outcomes, including death.

Now, many of these involve children, as you might guess, because the poisons often come in loose pallets that are placed as bait on the floor. Every year, more than 15,000 children under the age of six accidentally eat rat poisons. Several hundred require hospitalization, which results in internal bleeding, bleeding gums, anemia, even comas if death is escaped. As you might assume, poor children living in dilapidated housing where there are more rat poisons necessary suffer disproportionately.

Now, a Federal court recently held that EPA's failure to protect these children violates the law. I want to ask two questions. First, what are EPA's specific plans and timing to comply with the court order to protect children from these accidental poisonings? Second, some in Congress are now pushing for liability relief for distributors of bittering agents in anti-freeze. That's clearly a bad idea. I oppose it. We need to do what we can to put the bittering back into the rat poison, as well as the dye indicators.

Could I have your assurance that you will act on this to try to comply with the court order?

Mr. JOHNSON. Senator, let me first say, obviously, we're very concerned about any children who are harmed or have the potential to be harmed. I will go back and look into it and take appropriate steps to address this.

[The referenced material can be found on page 74.]

Senator CLINTON. Mr. Chairman, I thank the Administrator, and if I could have a response in writing on both the mercury in fish and the rat poisoning, then we will look forward, as well, to get information in a timely manner about the CMAQ information for the metropolitan planning organizations.

Senator INHOFE. Thank you, Senator Clinton.

Were you going to be around for another round of questioning?

Senator CLINTON. No.

Senator INHOFE. All right. Mr. Administrator, first of all, I brought up this international grants question. There have been

some 300 international grants in the last 10 years. I asked for a dollar amount and I found out it wasn't nearly as much as I thought it was. In fact, I still question the $64 million as the total over that 10 year period.

Still, it is a sizable sum. I would like to have, for the record, someone really get into this, particularly the two examples that I used with China. Right now, China is creating a very serious problem for us in our energy crisis in tying up the oil markets, the reserves around the world.

Morocco is, while they have been an ally of our country, it is a very wealthy country, and I don't think we need to be spending money for their environmental programs. So with those specifically and any others you have, I would like to have you advise us as to what they are.

[The referenced material can be found on page 77.]

In January 2006, the EPA's Office of Transportation Air Quality sought candidates to conduct analysis of environmental strategies to reduce greenhouse gas emissions and criteria air pollutants from the transportation sector. One of the qualifications listed for this position, when you were advertising for the position, was knowledge of emissions trading. This office does not, now, I'm talking about the Office of Transportation within EPA, have authority over the emissions trading program that Congress has approved. That's the acid rain program.

Given that Congress has repeatedly rejected cap and trade program for greenhouse gases most recently by defeating the McCain–Lieberman cap and trade program that was an amendment to the Energy Policy Act of 2005 by a resounding 62 to 38 vote, why would the EPA have an official job announcement on its web site for a person with these qualifications?

Also, under what specific program, regime or authority is the EPA expending funds as such in pursuit of greenhouse gas regulatory initiatives? If a position is not to pursue legislation then what is this guy supposed to do?

Mr. JOHNSON. Mr. Chairman, I'm unfamiliar with that particular job description. I will get back to you for the record.

[The referenced material can be found on page 74.]

Senator INHOFE. Are you, Mr. Peacock?

Mr. PEACOCK. No, I am not familiar with it, either.

Senator INHOFE. It's disturbing, because if we have a policy that has been established by Congress or the absence of a policy to advertise for such a person, when there is nothing else that person could do other than to try to change that policy, I find that very disturbing. Why don't you do that for the record.

I need also to mention, I meant to do this while Senator Boxer was here. She brought up this incident of the 25-year-old political appointee named George Deusch who told James Hansen, who is a scientist, that he couldn't speak on NPR. The New York Times picked it up and made a story of it. I think it probably should have been a big story. I think it was wrong. The guy is not there any more, he has resigned. I think that seemingly is under control.

Later on, Senator Boxer said that this is part of a pattern. I would like to suggest, and would point out, and want to have a matter in this record, that during the Clinton administration, Vice

President Gore and his allies ostracized climate skeptics with the Administration, which is one reason there aren't any of them left in the Administration, or not very many.

In addition, Carol Browner and the EPA were criticized repeatedly for politicizing the science. At this point, I would like to submit for the record a list of quotes detailing those science abuses under the Clinton administration. Without objection, that will be the order.

[The referenced material can be found on page 75.]

Senator INHOFE. Senator Jeffords.

Senator JEFFORDS. Mr. Johnson, I want to return to the issue of climate change.

Senator INHOFE. We just did.

[Laughter.]

Senator JEFFORDS. As I noted previously, Dr. James Hansen has suggested that we may be nearing a tipping point on climate change that will be impossible to recover from and that will fundamentally change our planet. Do you think we've reached the tipping point, and if not, when will it happen, in your opinion?

Mr. JOHNSON. Well, Senator, I don't know that we have reached that point. I have read a number of articles that there is great debate as to when, or if, it will happen. For me, and certainly for the U.S. Environmental Protection Agency, our charge and our interest and our piece of climate change is to focus our energies on Energy Star, Methane to Market, Climate Leaders Program and the Asia Pacific Partnership using technologies to help address the situation. That's what my focus is on.

Senator JEFFORDS. A question on Toxic Release Inventory. The Toxic Release Inventory corporate disclosure program is widely hailed as one of the Nation's most successful environmental statutes. EPA recently proposed converting the annual toxic release report into an every other year report and allowing thousands of facilities to withhold details of their pollution volumes and waste management practices.

Using EPA's estimates, facilities eligible for this burden reduction would save about $2.50 per day. Administrator Johnson, isn't it worth the cost of a Starbucks coffee to empower communities with information about toxic releases in their neighborhood?

Mr. JOHNSON. Senator, you are absolutely right, it is important to empower citizens with the right to know and information. In fact, our proposal for the TRI or Toxic Release Inventory program, is to look for how can we improve the efficiency and the effectiveness of the program. We looked at two aspects.

One is the thresholds of reporting, 500 versus 5,000 pounds of material, and the other is this issue of alternate year reporting. In the alternate year reporting, there are significant savings to not only the people who are filling out the forms, but to the Federal Government.

Our intent is to still have a very important program, and have that information available. When you look at it, year to year, there are not a whole lot of changes, frankly, from year to year. We could save the taxpayers and save all of us money, money that could be reinvested in doing quality assurance, could be reinvested in pro-

viding much more analysis of what the information is. The information is still there.

I think it's also important to note that for those highly hazardous materials, there are still requirements under EPCRA for that information to be provided to States and local responders, obviously for first responders information. We are looking at how to improve the efficiency and effectiveness of the program. With regard to the poundage, at least our estimates show that 99 percent of the information that is currently available, if we went to this new approach, would still be available, 99 percent, and save everyone a lot of money and time.

Senator JEFFORDS. Thank you.

Last year's EPA Funding bill rescinded $80 million in funds prior to the fiscal year 2000. Would you explain how EPA is allocating these cuts and ensuring that they do not come out of the fiscal year 2006 funding?

Mr. JOHNSON. Senator, what we are currently doing is looking at our grants and our contracts as well. We have not made any decisions on that $80 million rescission. As soon as we have sorted through that, we would be happy to provide that information to yourself and the Chairman.

[The referenced material can be found on page 77.]

Senator JEFFORDS. The Clean Air question, although the Clean Air Act requires that attainment with any national ambient air quality standard must occur as expeditiously as practicable, EPA has recently proposed that compliance with any new particulate matter standard may not be required under 2020 or 2023. Will you provide me with an analysis of how many health effects, including cases of premature mortality, will occur between 2010 and 2023 if compliance occurs under the timeframe set forth in EPA's recent notice?

Mr. JOHNSON. I would be happy to do so. I think it's also important, Senator, to put it in the context of what the Clean Air Act provisions and the current regulations allow States to do with regard to the developing the State implementation plans. I think it's important to lay that process out. Then, because it's in that context, you come up with that kind of a date.

[The referenced material can be found on page 77.]

Senator JEFFORDS. I have a question on the Superfund. The proposed budget justification indicates that EPA plans to slow down the investigation of new Superfund sites and move the money to finish old ones. It is clear that an untold number of new sites would be stalled. These sites continue to be among the worst in the Country.

How do you justify staling the progress on these sites if the new sites are not elevated in a timely manner? How will the Federal Government ensure that public health is protected?

Mr. JOHNSON. That is a very important question, and our focus is making sure those sites that have or present those potential health risks are the first ones that are addressed. So those are our priority. In fact, we go through a process to make sure that is the priority for the new starts.

We also know that there are a number that we would like to bring across the finish line as construction completes. As part of

the President's budget, there is, as you noted, a $4 million increase, bringing the total to about $455 million for construction.

Senator JEFFORDS. Thank you.

Mr. CHAIRMAN, I notice that the retiring EPA Inspector General is in the audience. I would like to publicly thank Nikki Tinsley for a job well done and wish her well in her next adventure. Would you mind standing?

[Applause.]

Senator INHOFE. I would like to join Senator Jeffords in that. You were very helpful to us in our grants oversight, and we appreciate your tireless efforts in our behalf. Thank you so much.

Do you have any other questions?

Senator JEFFORDS. I don't think so.

Senator INHOFE. OK. I was noticing when Senator Jeffords talked about James Hansen, being on the threshold of disaster, I think a lot of people really enjoy disaster. I think quite often, I was trying to remember, and I'm going from memory now, but when I was debating the McCain–Lieberman amendment, I saw showing charts of the front pages of Newsweek Magazine and Time Magazine of the late 1970's, when at that time everyone's concern was about the world coming to end because of a new ice age. It seems to me I remember his name at that time, but I am going to have to go back and look to be sure.

I appreciate very much your being here and responding to the questions. We do have a lot of questions for the record.

I would like to ask one thing. I would like to see a show of hands of those here who are not employees of the Environmental Protection Agency. It's eight. All right, thank you very much.

[Laughter.]

Senator INHOFE. We're adjourned.

[Whereupon, at 11:24 a.m., the committee was adjourned.]

[Additional statements submitted for the record follow:]

STATEMENT OF HON. LINCOLN CHAFEE, U.S. SENATOR FROM THE STATE OF RHODE ISLAND

Good morning. I would like to thank Chairman Inhofe and Senator Jeffords for holding today's hearing on the important issue of the Fiscal Year 2007 Budget for the Environmental Protection Agency (EPA).

I would also like to welcome EPA Administrator Stephen Johnson and Deputy Administrator Marcus Peacock who have been invited to testify on the 2007 Budget. I look forward to their testimony, and learning more about the President's proposals for funding several critical EPA programs under the jurisdiction of this committee and the Subcommittee on Fisheries, Wildlife, and Water, which I chair.

First, let me say that I am pleased the FY 2007 EPA Budget recognizes the increased need for funding several priority programs, including the Safe Drinking Water Act State Revolving Loan Fund; the Brownfields Grant Program; the Diesel Emissions Reduction Grant Program; and the agency's ongoing focus toward drinking water system security through the Water Sentinel Initiative.

The $26 million increase included in this year's budget for the Underground Storage Tank (UST) Program is also important. This new funding will provide much needed resources for States and Tribes, so that they are able to carry out existing oversight of the UST program, as well as new inspection requirements and increased prevention detection.

As we are entering a tight budget year, and funds will need to be stretched farther than ever, there are several aspects of the EPA Budget that indicate difficult choices had to be made. Funding cuts were directed toward State and Tribal Assistance Grants; research; environmental education; and regionally-focused programs. I will work with my colleagues to address these funding decreases. However, the cut I find most troubling is the significant reduction in the Clean Water State Revolving

Loan Fund (SRF) Program. Each year, we have witnessed significant declines in funding for this program, and this year is no different. The President's Budget requests $688 million for the Clean Water SRF, a 23 percent reduction over last year's enacted level, and a 37 percent reduction from the $1.09 billion provided to the program only 2 years ago.

Since the 1972 enactment of the Clean Water Act, nearly $250 billion has been invested in our Nation's wastewater infrastructure. As a result, today our lakes, rivers, streams and bays are cleaner; public health is improved; and the fishermen, farmers, tourism industries, and local economies that rely upon clean water have all benefited.

In September 2002, the EPA released a Clean Water and Drinking Water lnfrastracture Gap Analysis which found that there will be a $535 billion gap between current spending and projected needs for drinking water and wastewater infrastructure over the next 20 years if additional investments are not made. With thousands of publicly owned treatment systems across the Country facing the financial implications of needing to upgrade aging and deteriorating infrastructure and failing facilities, the challenge of continuing to provide clean water is increasingly threatened. Despite the improvements made to our Nation's water quality over the past 3 decades, these gains may be lost unless the Federal Government collectively works with States and localities to address our burgeoning water infrastructure problems.

In the months ahead, I will be joining several of my colleagues to urge the Senate to increase funding for the Clean Water SRF Program. I look forward to working with Administrator Johnson and Deputy Administrator Peacock to ensure that our limited federal dollars are allocated in the best way to carry out the mission of EPA to protect the public health and the environment.

Thank you.

STATEMENT OF HON. FRANK R. LAUTENBERG, U.S. SENATOR FROM THE STATE OF NEW JERSEY

Mr. Chairman, thank you for calling this hearing and giving us the opportunity to examine the President's proposed budget for the Environmental Protection Agency.

A budget is supposed to be a blueprint for the future. It points the direction in which our Country will move.

It tells us what kind of nation we are going to bequeath to our children and grandchildren.

I'm afraid that this budget will take our Nation in the wrong direction.

The Bush administration wants to slash 300 million dollars from the EPA.

This includes a $203 million cut in funding to states for clean water. In other words, it will drastically reduce the ability of local communities to provide clean water for drinking, swimming and fishing.

Based upon EPA's most recent estimates, almost 40 percent of our lakes and rivers are too polluted for swimming and fishing. Is this good enough for our grandchildren? Or can we do better?

President Bush also wants to cut $35 million for State and local Clean Air programs, and four million dollars from research on the health risks posed by hazardous air pollution almost one-fourth of the total amount currently spent on such research.

Mr. Chairman, air pollution is a serious problem.

According to a study from the Harvard School of Public Health, as many as four percent of the deaths in the United States can be attributed to air pollution.

Another study indicated that air pollution kills about thirty thousand Americans needlessly or prematurely every year.

About six million children in our Country today are living with asthma including one of my grandchildren. There are many days, especially in the summer, when it is not safe for these children to play outside because the air is so unhealthy.

Is this good enough for our grandchildren or can we do better?

The Administration has also rejected, yet again, the principle that polluters should pay to clean up toxic sites in our communities.

This means that fewer of the Nation's worst toxic waste sites will be cleaned up and when they are, the American taxpayers, not polluting industries, will foot the bill.

That doesn't reflect the priorities of average American families. We can do better for our grandchildren.

I hope we will. Thank you Mr. Chairman.

STATEMENT OF HON. JOSEPH I. LIEBERMAN, U.S. SENATOR FROM THE STATE OF CONNECTICUT

The testimony of Administrator Johnson this morning concerning the Environmental Protection Agency budget for 2007 raises many troubling questions about the priorities of the Administration. Because my colleagues have already addressed many aspects of the EPA budget, I'll limit my statement to three specific aspects of particular importance.

Long Island Sound Restoration funding.—Long Island Sound is home to 8,000,000 people. It is a national treasure, with 10 percent of the United States population living within 50 miles. Nevertheless, as Senator Clinton has stated, the 2007 budget contains no additional funding for Long Island Sound Restoration. Funding for 2007 is proposed to continue at a level of approximately $470,000.

Over many years the Long Island Sound Study has made much progress in many aspects of Long Island Sound restoration. Nitrogen pollution has been reduced, more than 510 acres of habitat has been restored, and more than 60 miles of river migratory corridors have been restored for anadramous fish passage. Beyond these ecological measures of progress, conferences and workshops have educated and engaged the larger community in New York and Connecticut. Because of this past work, in part, the broader community has a much greater understanding of the importance of protecting the Sound.

With passage of the Long Island Restoration Act last year, Congress authorized funding for Long Island Sound restoration work on a larger scale through FY 2010. The extended authorization, at a level of $40,000,000 per year, will provide grants to support restoration at 20 carefully chosen sites in both New York and Connecticut.

I am committed to protecting and restoring the ecological health of Long Island Sound. I look forward to working with my colleagues in the House to secure the funding necessary to continue Long Island Sound restoration, and to passing the Long Island Sound Stewardship Act.

Energy Star.—The Energy Star program is broadly recognized as an effective tool for increasing the efficiency of United States energy use. In fact, the Administration cites the Energy Star program as a prominent component of the Climate Protection Program, the EPA response to the threat of climate change. Even in this hearing, the EPA has again offered the Energy Star program as evidence of the White House commitment to the threat of climate change. EPA literature claims that every dollar spent by EPA on its technology deployment programs, (of which Energy Star is one example), has reduced greenhouse gas emissions by more than 3.7 tons of CO_2, and delivered more than $75 in energy bill savings. Thus, it makes no sense that the Energy Star budget has been cut by almost 10 percent for 2007. There is a disconnect between the EPA citation of Energy Star as evidence of the White House commitment to the threat of climate change, (and the efficacy of those voluntary climate measures), and the budget cut.

Clean Water State Revolving Fund.—The Clean Water State Revolving Fund has been slashed by 23 percent from last year. These proposed cuts to the Clean Water fund follow years of inadequate funding. I joined 26 other Senators this fall in signing a letter demanding that President Bush not cut funding for the Clean Water Fund in 2006. The importance of the Clean Water State Revolving Fund has been articulately recognized by committee members of both parties, and I look forward to working with them to adequately fund this important program.

STATEMENT OF HON. BARACK OBAMA, U.S. SENATOR FROM THE STATE OF ILLINOIS

Mr. Chairman, I would like to thank the nominees for appearing before the committee today and congratulate them on their nominations.

I am also looking forward to the testimony of Administrator Stephen Johnson on the President's budget recommendations for EPA.

As the Administrator knows, two of my major environmental priorities are restoring the Great Lakes and removing lead hazards that affect children. Both of these issues are very important to Illinoisans throughout my State.

I have serious concerns about the lack of appropriate funding for these programs in next year's budget. I apologize in advance for not being able to stay for the entire hearing. However I plan to submit questions for the record and look forward to hearing from Mr. Johnson on the rationale for the President's budget recommendations.

Thank you, Mr. Chairman.

STATEMENT OF STEPHEN L. JOHNSON, ADMINISTRATOR, U.S. ENVIRONMENTAL PROTECTION AGENCY

Mr. Chairman and members of the committee, I am pleased to be here today to discuss the Fiscal Year (FY) 2007 budget request for the Environmental Protection Agency (EPA). The President's FY 2007 budget request of $7.3 billion reflects the Administration's strong commitment to carrying out EPA's mission of protecting human health and the environment. The request demonstrates the President's continued commitment to providing the resources needed to address our Nation's highest priorities which include: continued support of homeland security, fighting the war on terror, and sustaining the recovery of our economy. At the same time, there is a need for discipline in our federal budget, and this request shows such discipline through its results-oriented approach.

EPA's programs can work even more efficiently 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 they are doing to improve their 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.

This FY 2007 budget incorporates the Administration's vision of a results-oriented and market-based approach to environmental protection while focusing on achieving measurable outcomes in the form of cleaner air, purer water, and better protected land. EPA will implement an environmental philosophy based on three principles in order to better fulfill its mission of protecting human health and the environment.

The first principle is results and accountability. EPA must focus on environmental outcomes, not environmental programs. This budget request includes three programs that have delivered some of the greatest environmental successes. These three programs include: Superfund, for which $1.3 billion is requested, the Drinking Water State Revolving Fund for which $841.5 million is requested, and the Clean Water State Revolving Fund, for which $688 million is requested.

The second principle is innovation and collaboration. This means the Agency will focus on collaborating with its state, tribal, local, and private enterprise partners. EPA will work with these partners to promote market-based strategies, advance stewardship opportunities, and invest in new and innovative technologies. The Great Lakes Program is an example of regional and international cooperation, and this budget requests over $70 million to clean and protect the Great Lakes. This request includes $50 million for the Great Lakes Legacy Act program, a $20 million increase, which will accelerate the cleanup of contaminated sediment that has accumulated for many years in the Great Lakes as a result of historical industrial sources.

Using the best available science is the third principle which the Agency will utilize to fulfill its mission. Strong science and data are integral to making decisions about environmental issues. This budget supports the use of science and data by requesting $7 million for a Water Infrastructure initiative. These funds will provide EPA with the resources needed to conduct a major research effort which will reduce the cost of operation, maintenance, and replacement of old drinking and wastewater systems. The focus on the best science is also demonstrated in the request to fund the study of nanomaterials and their effect on human health. Additionally, our request supports the Integrated Risk Information System and Computational Toxicology programs to promote the best available science.

Mr. Chairman, while the Agency has accomplished a great deal in its past efforts to clean the water, improve our air quality, and protect our lands, there is still much to be done. The environmental challenges that we face are enormously complex and expensive but by incorporating the Administration's environmental philosophy with its focus on results, I believe we can meet the challenges that lie ahead in an efficient and productive manner.

This budget will enable us to carryout our goals and objectives as set forth in our Strategic Plan and help us to meet our challenges. It supports the Administration's environmental philosophy which is committing to achieving measurable outcomes and results while carrying out EPA's mission of protecting human health and the environment.

HOMELAND SECURITY

Homeland Security is a top priority for the Administration and an integral component of this budget. For FY 2007, the President requests $184 million for Homeland

Security. This is an increase of $55 million over FY 2006 enacted levels. EPA plays a leading role in protecting United States citizens and the environment from the effects of attacks that release chemical, biological, or radiological agents. Following the cleanup and decontamination efforts of 2001, EPA has focused on ensuring we are prepared to detect and recover quickly from deliberate incidents. The emphasis for FY 2007 is on a few key areas: decontamination of threat agents, ensuring trained personnel and standardized lab capabilities to be called upon in the event of an emergency, and protecting our water and food supplies.

Protecting our water supplies is imperative and this budget requests $42 million for improved water security including the WaterSentinel pilot program. The WaterSentinel pilot program demonstrates how EPA has taken a leading role in protecting the citizens of this Nation. This program is designed to monitor and protect the Nation's drinking water infrastructure and will provide early warning of any intentional drinking water contamination. WaterSentinel consists of: enhanced physical security monitoring, water quality monitoring, routine and triggered sampling of high priority contaminants, public health surveillance, and consumer complaint surveillance. In FY 2007, EPA will establish, in selected cities, additional pilot contamination warning systems with water utilities through water intensive water monitoring and other surveillance. The addition of water utilities in FY 2007 will allow for more comprehensive testing of contaminant warning systems. Ultimately, an expansion of the number of utilities will serve to promote the adoption of WaterSentinel within the water sector, as functioning warning systems among several utilities of potentially divergent configurations will afford a more compelling outcome than just one utility. By the end of FY 2007, EPA expects to begin disseminating information learned from the pilots to other water utilities.

CLEAN AIR AND GLOBAL CLIMATE CHANGE

The FY 2007 President's Budget requests $932 million for the Clean Air and Global Climate Change goal. EPA implements this goal through its national and regional programs which are designed to provide healthier air for all Americans and protect the stratospheric ozone layer while also minimizing the risks from radiation releases, reducing greenhouse gas intensity, and enhancing science and research. In order to carry out its responsibilities, EPA utilizes programs that include many common elements, including: setting risk-based priorities; facilitating regulatory reform and market-based approaches; partnering with state, Tribal, and local governments, non-governmental organizations, and industry; promoting energy efficiency; and utilizing sound science.

The Clean Air Rules issued over the past two years are a suite of actions that will dramatically improve America's air quality. These rules address the transport of pollution across state borders. In FY 2007, we will continue to implement these rules which provide national tools to achieve significant improvement in air quality and the associated benefits of improved health, longevity and quality of life for all Americans. Taken together, they will make significant air quality improvement in years to come.

EPA's Climate Protection Programs continue to assist in reaching the President's goal of reducing greenhouse gas intensity by 18 percent by the year 2012. The United States has joined five other countries (Australia, China, India, Japan, and the Republic of Korea) in the Asia-Pacific Partnership for Clean Development and Climate. In 2007, EPA requests $5 million to support this partnership which will focus on deploying cleaner technologies in partner countries in order to reduce poverty, enhance economic growth, improve energy security, reduce pollution, and reduce greenhouse gas intensity.

This FY 2007 budget request includes $50 million for the new Diesel Emission Reduction Grants Program authorized by the 2005 Energy Policy Act. The program will provide grants for projects that reduce diesel emissions from existing engines by using cleaner fuels, retrofitting them with emissions reduction technology, or replacing them with newer, less-polluting engines.

CLEAN AND SAFE WATER

The FY 2007 President's Budget requests $2.7 billion to implement the Clean and Safe Water goal through programs designed to improve the quality of surface water and drinking water. EPA will continue to work with its state, Tribal, and local partners to achieve measurable improvements to the quality and safety of the Nation's drinking water supplies as well as the conditions of rivers, lakes, and coastal waters.

Also in FY 2007, EPA will continue to work with states and tribes on implementing core Clean Water programs, including innovations that apply programs on

a watershed basis. Water quality monitoring is a top priority in protecting and improving water quality and will provide the scientifically defensible water quality data that is necessary to defend our Nation's waters. Additionally, the Agency will support the protection and restoration of wetlands through its own programs such as Section 319 and State Revolving Fund, as well as other Federal programs such as those administered by Fish and Wildlife Service.

The Budget 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.

LAND AND PRESEVATION AND RESTORATION

The Agency's FY 2007 budget request to Congress implements the Land Preservation and Restoration goal through EPA's land program activities which promote the following themes: Revitalization, Recycling, Waste Minimization, and Energy Recovery; Emergency, Preparedness and Response, and Homeland Security.

In FY 2007, this goal will include new responsibilities as EPA takes on an important role in implementing the Energy Policy Act of 2005. Energy issues are increasingly tied to quality of life and economic competitiveness in this Nation. The President recognizes the significance of dealing with these energy issues and it is reflected in the 2007 budget request. This budget includes $38 million for State and Tribal Assistance Grants to support EPA's underground storage tank (UST) program. This is a $26 million increase over FY 2006 enacted levels. The UST program will continue working with states to implement the base UST program as well as the new provisions of the EPAct. The EPAct provisions focus on preventing future releases from USTs and include inspections, operator training, delivery prohibition, secondary containment, and financial responsibility.

Revitalized land that was once contaminated can be used in many proactive ways, including creation of public parks, the restoration of ecological systems, the establishment of multi-purpose developments, and the establishment of new businesses. EPA uses its cleanup programs (including Superfund, RCRA, Corrective Action, Brownfields, Federal Facilities, and Underground Storage Tanks) to facilitate the cleanup and revitalization of contaminated properties. In FY 2007, the Agency will continue to promote the minimization of waste. EPA's municipal solid waste program will implement a set of coordinated strategies, including source reduction (also called waste prevention), recycling (including composting), combustion with energy recovery, and landfilling. The Agency will work with other Federal Agencies within the National Response System to respond to incidents which involve accidental or intentional releases of harmful substances and oil.

Enforcement activities are a significant component of the Land Preservation and Restoration goal which support the Agency's ability to clean up the majority of the most hazardous sites in the Nation. Enforcement allows the Agency to collect funding from Potentially Responsible Parties (PRPs) to finance site-specific cleanup. These accounts segregate site-specific funds obtained from responsible parties that complete settlement agreements with EPA. The Agency will continue to encourage the establishment and use of these Special Accounts within the Superfund Trust Fund in order to finance cleanups. These funds create an incentive for other PRPs to perform cleanup work they might not otherwise be willing to perform and the result is that the Agency can clean up more sites and preserve appropriated Trust Fund dollars for sites without viable PRPs.

HEALTHY COMMUNITIES AND ECOSYSTEMS

In FY 2007, EPA's Budget carries out the Healthy Communities and Ecosystems goal via a combination of regulatory, voluntary, and incentive-based programs. A key component of the Healthy Communities and Ecosystems goal is to reduce risks to human health and the environment through community and geographically-based programs. Some of these community and geographically-based programs include: Brownfields, Wetlands Protection, and programs that concentrate on our nation's large bodies of water such as the Great Lakes, Gulf of Mexico, and Chesapeake Bay.

Community and Geographically-based programs comprise one of the most important components of the Healthy Communities and Ecosystems goal. In FY 2007, the Agency requests $163 million for the Brownfields program to restore abandoned contaminated properties. This is a slight increase over the FY 2006 enacted level for Brownfields. The Chesapeake Bay program also supports the Healthy Communities and Ecosystems goal. This program protects the Bay which needs improved water quality, overall protection, and restoration. This budget requests $26 million for cleaning up and protecting the Chesapeake Bay. This request is $4 million over the FY 2006 enacted level. Community Action for a Renewed Environment (CARE) is another program which is vital to achieving the goal of Healthy Communities and Ecosystems. This program offers many communities the opportunity to improve their environment through voluntary actions.

Another major focus of the Healthy Communities and Ecosystems goal is identifying, assessing, and reducing the risks from chemicals and pesticides. In FY 2007, EPA will continue identifying and assessing potential risks from pesticides. In addition, EPA will set priorities for addressing pesticide and chemical risks, strategize for reducing such risks, and promote innovative and alternative measures of pest control. Also related to reducing pesticide and chemical risk, EPA will continue its Homeland Security activities which focus on identifying and reviewing proposed pesticides for use against pathogens of greatest concern for crops, animals, and humans in advance of their potential introduction. EPA will work closely with other Federal agencies and industry in order to carry out these activities.

COMPLIANCE AND ENVIRONMENTAL STEWARDSHIP

EPA's FY 2007 Budget Request of $540 million for the enforcement program helps realize the Compliance and Environmental Stewardship goal through programs that monitor and promote enforcement and compliance with environmental laws and policies. In FY 2007, EPA will continue with its strong commitment to compliance and enforcement through collaborating with its state, Tribal, and local government partners. The Agency also will support stewardship through direct programs, collaboration and grants for pollution prevention, pesticide and toxic substance enforcement, environmental information, and creation of an environmental presence in Indian Country.

Compliance assistance and enforcement are critical components of the Compliance and Environmental Stewardship goal and EPA supports these components by assuring requirements are clearly understood and by assisting industry in identifying cost-effective compliance options. In FY 2007, EPA will use a two-part approach in ensuring compliance assistance and enforcement. First, EPA will help clarify environmental laws and regulations for regulated communities. The second step is for the Agency to reduce noncompliance through inspections, monitoring, and via enforcement when needed.

In FY 2007, EPA also will focus on promotion of Environmental Stewardship. Environmental Stewardship is a concept that seeks more than just minimal compliance with environmental regulations. Instead, it promotes voluntary environmental protection strategies in which States, Tribes, communities, and businesses are invited to participate. EPA will promulgate stewardship by educating, providing incentives, tools and technical assistance to states, Tribes, communities, and businesses. EPA will implement a performance-oriented regulatory system that allows flexible strategies to achieve measurable results.

In FY 2007 EPA will continue to work with industrial sectors to set pollution reduction goals, provide tools and technical assistance, and identify innovative strategies to reduce risks. In the tribal GAP program, the Agency will support approximately 517 federally recognized Tribes in assessing environmental conditions on their lands and building environmental programs tailored to their needs.

Also in FY 2007, the agency will continue to fortify the Environmental Information Exchange Network (Exchange Network). In FY 2007, EPA, states, Tribes, and territories will continue to re-engineer data systems so that information previously not available or not easily available can be exchanged using common data standards. By the end of 2007 all fifty states and approximately ten Tribes will have established nodes on the Exchange Network and will be mapping data for sharing with partners and submission to EPA.

In 2007, EPA also will continue its work with Performance Track by recognizing and rewarding private and public facilities that demonstrate strong environmental performance, beyond current requirements. To provide incentives to business to participate, EPA continues to implement and develop new regulatory incentives at the state level. It will support and leverage state environmental leadership programs by

aligning Performance Track with at least 20 State programs and double the measurable environmental improvements achieved to date.

In summary, this budget will enable us to carry out the goals and objectives as set forth in our strategic plan, to meet challenges through innovative and collaborative efforts with our state, tribal, and private entity partners, and to focus on accountability and results in order to maximize environmental benefits.

The requested resources will help us better understand and solve environmental problems using the best available science and data, and support the President's focus on the importance of Homeland Security while carrying out EPA's mission.

RESPONSES BY STEPHEN L. JOHNSON TO ADDITIONAL QUESTIONS FROM SENATOR CLINTON

CONFORMITY GUIDANCE FOR CMAQ

Question 1. Last year, Chairman Inhofe and I worked together on a provision included in the Highway bill to make diesel retrofits on non-road vehicles eligible for funding under the Congestion Mitigation and Air Quality, or CMAQ program. The amendment was designed to give state departments of transportation and metropolitan planning organizations an incentive rather than a mandate to use CMAQ to fund diesel retrofits. This incentive would arise from guidance that EPA agreed to issue which would enable MPOs to get conformity credit with the emission reductions achieved by funding diesel retrofits with CMAQ. When will that guidance be issued and what is being done to ensure that it provides a sufficient incentive for MPOs to use their CMAQ allocation to fund diesel retrofits?

Response. EPA issued a draft version of State Implementation Plan (SIP) and conformity retrofit guidance for stakeholder comment in December 2005 that offered two options for using nonroad retrofit reductions to meet transportation conformity requirements. Since then, we have been working with representatives from those stakeholder organizations (AASHTO, AMPO, State and Territorial Air Pollution Program Administrators, and environmental organizations) to resolve issues they have raised. As a result, we are currently redrafting the guidance to better meet their needs. This draft will include a model rule that States could directly incorporate as a SIP revision to allow trading of CMAQ-funded nonroad retrofit reductions for use in conformity determinations. We are also adding detailed information on the steps needed to implement the options in the guidance. We plan to have this guidance available, following stakeholder review, in late spring of 2006.

LOCOMOTIVE AND MARINE ENGINE RULES

Question 2. Locomotive and marine engines today are legally permitted to emit pollutants at a much higher rate than trucks, buses, and non-road diesel engines. A typical train, for example, will emit as much particulate pollution over its lifetime as 500 trucks. EPA promised in 2004 to issue standards by mid-2005 to reduce emissions from locomotives and marine engines, but has not yet acted. According to a recent study, emissions from these engines cause nearly 4,400 premature deaths, 5,700 nonfatal heart attacks, and over 73,000 asthma attacks in children. When will EPA take action to bring these dangerous unregulated sources of pollution under control?

Response. We agree that locomotive and marine diesel engines are major contributors of harmful emissions. To address this significant environmental problem, the Agency issued an Advance Notice of a Proposed Rulemaking in May 2004 stating our intention to pursue stringent standards for these engines. This program continues to be a high priority for the Agency and we are working toward the development of a proposal to address this source of emissions.

GREAT LAKES FUNDING

Question 3a. I am very disappointed that the President's budget fails to adequately fund Great Lakes restoration actions. In May 2004, the President set in motion the "Great Lakes Regional Collaboration", which brought together 1,500 leaders at all levels of government and from all the relevant stakeholder groups to come up with a plan of action for the most pressing Great Lakes problems. That process produced a plan last December that had buy-in from across the Great Lakes region.

I am very pleased that Senator Voinovich is taking the lead on a hearing that will take place in this committee this spring to look at how we can move that plan forward.

But in discussing the budget here today, it is impossible to ignore the cuts to funding for activities endorsed by the Great Lakes Regional Collaboration.

For example, the GLRC restoration plan recommended that the Clean Water State Revolving Fund be funded at $1.35 billion. Yet the Administration asks for over $660 million less.

The restoration plan asks for increased investments in non-point pollution programs at EPA. This budget cuts those programs by $10 million.

And the Great Lakes National Program Office's budget is cut even though they are being asked to do more.

In fairness, the budget does fund the Great Lakes Legacy Act at nearly $50 million. That's a sizable increase, but cleaning up contaminated sediments, as this Act provides for, is just one piece of the Great Lakes puzzle. The budget gives with one hand and takes away with the other.

Over 60 Great Lakes scientists reported in early December that the Great Lakes are near a tipping point, and stated that, "we need to start treating the lakes holistically, and not just as a series of isolated problems to be solved one at a time."

Mr. Administrator, please tell this committee how this budget—taken as a whole—will benefit Great Lakes restoration and protect the world's largest source of fresh surface water?

Response. The Administration shares your interest in protecting the Great Lakes and therefore proposed approximately $70 million for EPA's Great Lakes activities, an approximately $20 million increase over 2006 enacted. As you noted, this request funds sediment cleanup at its authorized level. The Federal Great Lakes Interagency Task Force coordinates Great Lakes programs and projects, shares information pursuant to the Great Lakes, and carries out other functions as required by the Great Lakes Executive Order. The task force recently identified a number of substantive actions the Administration will take in support of Great Lakes restoration. All parties recognize existing economic realities impose limits on what can be accomplished immediately; consequently, the Administration's response to the strategy is focused on what can be accomplished within current budget constraints. Through effective targeting of base programs, and through 48 near-term commitments, EPA and its partners will continue to demonstrate advances in Great Lakes environmental protection.

Question 3b. How does this budget meet the needs that were identified by people from the region who were part of the Great Lakes Regional Collaboration that was started by the President?

Response. Based on an Interagency Task Force report to the President, we estimate that each year the Federal Government spends approximately half a billion dollars in the Great Lakes region on programs that directly benefits water quality.[1] When the President signed the Great Lakes Executive Order in May 2004, it was with the hope that all levels of government would come together to better coordinate Great Lakes activities, policies, and projects in order to address nationally significant environmental and natural resource issues involving the Lakes. The Administration is working with all of our partners to continue to protect the Great Lakes in the coming years, using the Collaboration's strategy as a guide.

This budget for EPA, as you noted, includes essentially full funding of the authorized levels in the Great Lakes Legacy Act for cleanup of the Areas of Concern, approximately $50M. Other EPA commitments in response to the Strategy include:

- joining with the States and other Federal Government partners in an equally shared effort to develop plans that will restore, enhance, and protect 200,000 acres of wetlands in the Great Lakes
- working with State and local partners to develop a standard to help identify sources of contamination at beaches
- committing $25M to clean up contaminated sediments in Ohio's Ashtabula River
- issuing improved policy guidance on managing peak flows at sewage treatment plants to restrict dumping, reduce overflows, and increase pollution prevention efforts.

The Great Lakes effort is larger than just EPA and also includes:

- through USDA, conducting rapid watershed assessments on critical watershed areas to collect natural resource data, and applying critical conservation on the ground.
- supporting establishment in Chicago of a national Alliance for Water Efficiency—a national clearing house and advocate for water efficiency research, evaluation, and education.
- supporting authorization to make permanent the demonstration barrier on the Chicago Sanitary and Ship Canal.

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[1] http://www.epa.gov/grtlakes/collaboration/final_rttp_10282005.pdf (page 47 of the report)

• through the Army Corps of Engineers and EPA, improving and streamlining the general permitting process for wetlands restoration projects in the Great Lakes to advance water quality, habitat protection, and other values.

• a portion of an increase in funding of $1.5M for NOAA's Aquatic Invasive Species Program. (These funds will be spread nationwide, and a portion of this increase is envisioned to support more of the research and activities needed to address the growing issue of invasive species in the Great Lakes.)

• continuing construction of the McCook Reservoir flood damage reduction project by the Army Corps of Engineers that will virtually eliminate the backflows of raw sewage to Lake Michigan, reducing beach closings, and enhancing coastal health.

• continued construction by the Army Corps of Engineers of a facility for the safe and effective management of more than 4 million cubic yards of contaminated sediments from the Indiana Harbor navigation channel and adjacent areas.

• a portion of an increase for the North American Wetlands Conservation Fund, which will help wetland restoration in the Great Lakes.

RODENTICIDES (RAT POISON)

Question 4. What are EPA's specific plans, and timing, to comply with the court order to protect children from accidental exposures to rodenticides?

Response. In 2001, EPA decided that it would not require bittering agents and indicator dyes across the board in all rodenticide products. EPA's decision was based, in part, on the recommendations of a broad stakeholder workgroup convened to evaluate potential actions to reduce rodenticide risks to children, which included representatives from EPA, the Centers for Disease Control (CDC), the U.S. Department of Agriculture (USDA), State officials, the medical community, public interest groups, the pesticide industry, and members of the general public. The decision reflected the public health risks posed by rodents and significant concerns expressed by the public health community and the CDC that requiring all products to contain bittering agents and indicator dyes could hinder the effectiveness of rodenticides to control rodent populations in certain circumstances. In August 2005, the district court issued an order affirming EPA's decision with respect to indicator dyes, but reversing the Agency's decision with respect to bittering agents and remanding that decision to EPA for further consideration. Following the court's order, and in connection with the Agency's ongoing work on rodenticides, EPA has been pursuing several mitigation strategies to make rodenticide products safer for use around children.

EPA is evaluating the advantages and disadvantages of the possible mitigation approaches, and will consult with its Federal partners, including the CDC, before issuing its decision. The Agency anticipates publishing its mitigation decision, along with an assessment of the benefits and impacts of the new safety requirements, for public comment during the fall of 2006. EPA's decision will ensure that rodenticide products are both effective for controlling rodents and safe for use in homes with children. In the interim, EPA is encouraging rodenticide manufacturers to voluntarily implement additional safety precautions to reduce the potential for a child to be exposed. For example, the Agency is encouraging registrants to voluntarily incorporate bittering agents into certain formulations where decreasing the risk of exposure is important. To date, over half of the rodenticide products currently on the market contain a bittering agent.

RESPONSES BY STEPHEN L. JOHNSON TO ADDITIONAL QUESTIONS FROM SENATOR INHOFE

Question 1. In the President's budget request, funding for civil and criminal enforcement will increase by $3 million and $500,000 respectively. How will you ensure that EPA regions will enforce Federal environmental laws consistently and fairly across the country?

Response. EPA is committed to ensuring compliance with the Nation's environmental laws and to improve public health and the environment in the fairest manner possible. EPA has in place a framework of common fundamental principles and management mechanisms to ensure that in general terms violators in similar circumstances receive similar treatment under Federal environmental laws. EPA's goal is fair and consistent enforcement of Federal environmental laws as balanced with the flexibility to respond to regional-specific environmental problems.

Consistent civil and criminal enforcement is ensured through multiple factors:

• The civil and criminal programs coordinate closely to ensure the appropriate response to the environmental violation is taken, whether civil, criminal or other response.

• Fundamental principles of enforcement are embodied in statutes, regulations and policies that specify appropriate response criteria for EPA personnel.

• With respect to criminal enforcement, the fields agents investigating environmental crimes are part of a nationally managed program, with Headquarters oversight, including periodic docket reviews and office audits to ensure consistency with investigatory discretion guidance and enforcement priorities.

• EPA's National and Regional Enforcement Priorities and initiatives focus enforcement efforts on the highest priority environmental issues-consistently and appropriately depending on the regional need.

• While consistent enforcement is our goal, EPA expects variations to occur in decisions to bring and settle enforcement actions due to a variety of factors, including the duration and severity of the violations; the nature and viability of the violator; the weight of evidence; the availability of prosecutorial resources and other litigation considerations.

OVERALL FUNDING LEVELS

Question 2. As I stated in my opening remarks, the budget looks like a $310 million cut on the surface, but when one inspects it further, they find that only two areas receive any real cuts, the clean water SRF and Congressional priorities. These cuts will be largely restored by Congress. This means one of two things: Congress will either appropriate more money for EPA than the Administration is requesting or Congress will have to make real cuts to the rest of the budget. I would like to reiterate the request I made at the hearing that you review the entire budget and knowing that the earmarks will likely be put back and that some if not all of the SRF cut will be restored, what other programs can be reduced for a total reduction in EPA's budget of $310 million? Please provide a specific list of programs totaling $310 million that can be eliminated.

Response. I understand the importance of this issue to the Chair. Nonetheless, the President's budget includes the Administrator's formal, proposed budget savings. We believe additional reductions elsewhere in EPA could impact the ability of the Agency to meet stated performance goals. We share your interest in carefully managing taxpayer dollars, identifying efficiencies, and trying to eliminate inefficiencies in the Agency.

$80 MILLION RESCISSION

Question 3. The 2006 Interior and Environment appropriation bill included an $80 million rescission of unobligated funds provided in appropriation bills in 2000 and prior. This provision allowed the Administration broad discretion in determining from which programs to take funding. When will you finalize exactly which programs will be subject to the rescission and what amount? And how are you making these decisions. Are there additional funds that have remained unobligated for numerous years that could be rescinded this year?

Response. The Agency has been working intensively to examine the status of contracts, grants and interagency agreements that have expired to determine whether the balance remaining can be rescinded. There have been a number of legal and statutory issues to work through in addition to the financial review. The majority of determinations will be made regarding affected programs and amounts as soon as possible, but certain final determinations must wait until September 1, 2006 to meet requirements under the law. We have included funds that have remained unobligated for some time in our review to identify the $80 million rescission.

CLEAN WATER

Question 4. Last year, the Administration published a rule reiterating years of federal policy that pesticide sprayers did not have to have NPDES permits for pesticides sprayed in accordance with their FIFRA approved labels. As you know this is a very important issue to me and in fact, I have introduced legislation to codify the policy with some important modifications in statute. What is the status of the rule and when do you expect it to become final?

Response. EPA issued a final Interpretive Statement and Proposed Rule on the Application of Pesticides to Waters of the United States in Compliance with FIFRA as a revision to the NPDES regulations on February 1, 2005. The circumstances addressed under the proposed regulations are:

(1) The application of pesticides directly to waters of the United States in order to control pests. Examples of such applications include applications to control mosquito larvae, aquatic weeds, or other pests that are present in the waters of the United States.

(2) The application of pesticides to control pests that are present over waters of the United States, including near such waters, that results in a portion of the pesticides being deposited to waters of the United States; for example, when insecticides are aerially applied to a forest canopy or when pesticides are applied over, including near, water for control of adult mosquitoes or other pests.

EPA is reviewing comments on the Proposed Rule, selecting options to address concerns raised by the commenters, and developing final regulatory language. The Agency expects to publish the final rule by October 2006.

CLIMATE RESEARCH: GLOBAL CHANGE RESEARCH PROGRAM

Question 5. The United States Global Change Research Program is composed of thirteen federal agencies and charged with identifying natural and human-induced sources of climate change. How is EPA's contribution to this program unique and how is EPA's program avoiding duplication of effort?

Response. EPA's global change research program is closely coordinated with the U.S. Climate Change Science Program (CCSP), whose mission and vision is articulated in its 2003 Strategic Plan.[1] CCSP brings together senior managers representing all 13 member agencies to integrate the planning and implementation of agencies' programs, reduce overlaps, identify and fill programmatic gaps, and synthesize products and deliverables generated under the auspices of the larger Federal effort.

Using its strategic plan as a guiding framework to avoid redundancy, CCSP annually conducts a science planning process to identify the highest priority research, observation, and decision-support needs. As a result of this planning, EPA's program positions itself to support both the goals identified in CCSP's Strategic Plan and specific CCSP products that meet the near-term objectives of the President. For example, CCSP has tasked EPA to lead production of three Synthesis and Assessment Products (sea level rise, ecosystem adaptation, and socioeconomic and environmental impacts of climate variability). In its capacity as the Federal lead in these areas, the program coordinates closely with other agencies to avoid duplication in achieving CCSP's common goals. EPA is also conducting planned research to support seven other S&A products, which are being coordinated by other agencies.

The emphasis of EPA's CCSP research is on evaluating the potential consequences of and adaptation strategies for global change, as opposed to the causes of global changes or ways to mitigate those causes. The program directly supports EPA's unique mission to protect the environment by focusing on understanding the implications of global change for air quality, water quality, ecosystems, and human health in the United States. For example, the program's assessment of climate change's potential effects on air quality (unique within CCSP) directly supports EPA's Office of Air and Radiation (OAR), which must ensure that states and cities can meet EPA-set air quality standards in the future.

CLIMATE RESEARCH

Question 6. EPA budget documents for FY07 under the category Climate Protection Program show a $6.1 million reduction from FY 06 levels (from $18.7 million in 2006 to $12.6 in 2007). It is my understanding that this reduction does not come from the agency's climate change research program under the Office of Research and Development, but solely from the Clean Automotive Technology Program under the Office of Air and Radiation. Moreover, this reduction reflects a phase down in Federal investment in this program as a result of the successful transfer to the private sector of the hybrid and clean diesel technologies developed under this program and adopted by industry. Is this correct?

Response. It is correct that the President's FY 2007 budget request does include a $6.1 million reduction under the category Climate Protection Program and that this reduction is directed at the Clean Automotive Technology program under the Office of Air and Radiation. It is correct that this reduction reflects a phase down in Federal investment in hydraulic hybrid technology development as a result of the transfer to the private sector of hybrid and clean diesel technologies.

DRINKING WATER FUNDING

Question 7. The Administration has established a goal of ending Federal contributions to the Drinking Water SRF once the fund revolves at $1.2 billion per year which should occur, in your estimation, in 2018. As you know I have been quite con-

[1]Climate Change Science Program, *Strategic Plan for the U.S. Climate Change Science Program (2003).* Available at <http://www.climatescience.gov/Library/stratplan2003/final/>.

cerned about the number of drinking water regulations that have been imposed on communities. Does the $1.2 billion account for the costs imposed by the arsenic rule, the two disinfection byproduct rules, the two long term surface water treatment rules and the upcoming ground water rule? What percent of the nationwide need will the $1.2 billion provide in 2018? Further, EPA estimates that 17 percent of the current need is regulatory. Does the current revolving level of the SRF cover that 17 percent?

Response. According to EPA's 2003 Drinking Water Infrastructure Needs Survey, an estimated $276.8 billion is needed over a 20-year period to install, upgrade, and replace the infrastructure on which the public relies for safe drinking water. Assuming steady growth that equates to a need of approximately $13.8 billion each year, of which approximately 9 percent would be provided through annual loan disbursements of the Drinking Water State Revolving Funds (SRFs). The States' SRFs will continue to disburse average annual loans of $1.2 billion over the long term after federal capitalization ceases in 2018.

Although all of the infrastructure projects in the assessment promote the public health objectives of the SDWA, $231.7 billion (83.7 percent) of the total national need is not driven by compliance with any particular regulation. These non-regulatory needs include routine installation, upgrade and replacement of basic infrastructure. These needed investments are borne by the water systems, regardless of regulation, to properly maintain each system's infrastructure which is not only economical in the long run but also is protective of public health. The other $45.1 billion (16.3 percent) of the total national need is directly attributable to specific SDWA regulations. This amounts to a direct regulatory need of approximately $2.3 billion per year, of which slightly over half could be met through annual loan disbursements from a fully-capitalized Drinking Water SRF. Most of these regulatory-related needs, $35.2 billion, are needed to address existing SDWA regulations (including the arsenic rule which is effective in January 2006). Projects to address microbiological contamination account for 86 percent, or $30.2 billion, of the needs to meet existing SDWA regulations.

The regulatory need identified also includes $9.9 billion in costs associated with proposed or recently finalized regulations. These costs, which were taken from economic analyses prepared as part of each rule-making, include $3.2 billion to address acute contaminants under the final Long Term 1 and Long Term 2 Enhanced Surface Water Treatment Rules (LT1 and LT2), the proposed Ground Water Rule, and the final Filter Backwash Recycling Rule. $6.7 billion is needed to meet requirements related to regulations for chronic contaminants, which include the final Stage 1 and Stage 2 Disinfectants/Disinfection Byproducts Rules (Stage 1 and Stage 2 DBPR), the Radon Rule, and the final Radionuclides Rule.

More than $7.5 billion has already been provided to capitalize the DWSRF since the 1996 SDWA Amendments. Total DWSRF funding available for loans since 1997, reflecting loan repayments, state match dollars, and other funding sources, is approximately $11.1 billion, of which more than $9.4 billion has been provided to communities as financial assistance. States and EPA can work to enhance the DWSRF as a tool through which to encourage integrated use of all local, State, Federal, and private sources of funding; promote use of innovative and efficient technology; encourage rates that are appropriate to cover the costs of supplying drinking water; promote comprehensive strategic planning; and help states to manage their public health programs.

OFFICE OF INTERNATIONAL AFFAIRS: GRANTS TO FOREIGN RECIPIENTS

Question 8. Introduction by Inhofe: In our recent hearing on EPA's FY07 budget, I expressed concern that over the past 10 years nearly 300 grants have been awarded to benefit foreign countries. My concern was heightened when I learned that many of these grants are awarded from program offices other than the Office of International Affairs (OIA), despite the international nature of these grants. Yet, according to EPA's website, one of OIA's responsibilities is to manage the Agency's involvement in international policies and programs that cut across Agency offices and regions. What then has been OIA's specific role, if any, in awarding these grants to foreign recipients?

Response. EPA policy gives OIA a review and concurrence role on assistance awards for work conducted abroad, whether awarded to domestic or foreign recipients, prior to forwarding these to the Department of State for their review and concurrence. OIA collaborates with Program Offices as they implement their media-specific international programs; and strongly supports the Agency's efforts, chaired by the Grants Administration Division (GAD), to implement grant policies. Those Offices also consult with GAD to ensure that all Agency policies are followed.

POLICY FOR AWARDING GRANTS TO FOREIGN RECIPIENTS

Question 9. Introduction by Senator Inhofe: In our recent hearing on EPA's FY07 budget, I expressed concern that over the past 10 years nearly 300 grants have been awarded to benefit foreign countries. My concern was heightened when I learned that many of these grants are awarded from program offices other than the Office of International Affairs (OIA), despite the international nature of these grants. Yet, according to EPA's website, one of OIA's responsibilities is to manage the Agency's involvement in international policies and programs that cut across Agency offices and regions.

Does OIA have specific guidance and procedures that it requires the agency's other program offices to implement and follow in awarding grants to or for the benefit of foreign entities? Please describe and provide these policies to the Committee.

Response. International assistance policy and procedures are incorporated into the Agency's manuals and guidance documents (e.g., EPA's Delegations of Authority, and Project Officer Responsibilities Handbook). OIA works with GAD to ensure that the roles and responsibilities concerning international assistance are understood by Project Officers. The purpose of these policy & procedures is to provide clear guidance for obtaining appropriate approvals & clearance prior to an award, extension, or modification of grant awards for work conducted abroad, whether awarded to domestic or foreign recipients. Specifically,

The EPA policy is the following:

- Preliminary clearance—The program office contacts OIA staff before processing a grant application and OIA reviews to ensure appropriateness.
- The program office's delegated officials review and concur prior to submitting proposals to OIA.
- OIA reviews, and if appropriate concurs; OIA forwards to State Department for concurrence.

Question 10. If OIA does not have any such policies for the other program offices, what criteria do the other program offices use to determine the merits of a grant for a foreign recipient?

Response. OIA does have policies in place. They are supplemented by individual office procedures. Two examples are provided below.

The criteria used by the Office of Air and Radiation (OAR) in determining the technical merits of a grant for a foreign recipient are the same as those for non-foreign grant recipients: Our decisions are based on the technical merits of the proposal, the applicability of the recipient's scope of work, the consistency of the proposal with the Agency's strategic goals, the demonstrated abilities of the recipient organization, and the likelihood that the project will produce sound environmental results to EPA/OAR's strategic goals as it relates to OAR's overall mission. We give priority to projects that will reduce environmental, health, or other risks to the United States, and also to those projects that will yield results that are transferable to United States concerns. We coordinate closely with OIA to review the scope of work and to receive clearance from the Department of State. However, foreign applicants are exempt from the competition policy, EPA Order 5700.5A1, "Policy for Competition of Assistance Agreements"; so they may not be subject to the same criteria used as ranking factors in competitive grant solicitations (i.e., past performance) like non-foreign recipients subject to the competition policy.

With the exception of the U.S.-Mexico Border Environmental program, the Office of Water (OW) infrequently funds foreign recipients. The U.S.-Mexico Border Environmental program's mission is to protect the environment and public health in the U.S.-Mexico border region, a shared border of over 2,000 miles. The rapid increase in population and industrialization in the border cities has overwhelmed existing wastewater treatment and drinking water supply facilities. Untreated and industrial sewage often flows north into the United States from Tijuana, Mexicali, and Nogales, and into the Rio Grande. The program is a partnership of Federal, State, and local Governments in the United States and Mexico, and United States border tribes. The U.S.-Mexico Border program emphasizes a bottom-up, regional approach, anticipating that local decision-making, priority-setting, and project implementation will best address environmental issues in the border region. EPA works closely with its partners to prioritize and evaluate the environmental needs of the different border communities and to facilitate the construction of environmental infrastructure through the provision of grant funding for the planning, design, and construction of high priority water and wastewater treatment facilities along the border.

OFFICE OF INTERNATIONAL AFFAIRS: LIST OF GRANTS AWARDED

Question 11. Please provide the Committee with the following information:

- an organizational chart of OIA's office
- OIA's FY07 budget request
- the amount of OIA's FY07 budget request for international grants, and
- a list of all grants awarded by OIA over the past 5 years, including the project title, a description of the project, the recipient, and the amount of the award.

Response. See attached files.

Awards to Budget Code 13 FY 01-05

5/6/2006 8 52 AM

Recipient	FY	Awarded	Description
EPM Appropriations			
Domestic			
UNIVERSITY OF CALIFORNIA RIVERSIDE	2001	179,991	INTERNATIONAL VEHICLE EMISSIONS MODEL
ASSOC OF OCCUPATIONAL AND ENVIRONMENTA	2001	155,000	PEDIATRIC ENV HLTH SPECIALITY UNIT IN MEXICO
ASSOC OF OCCUPATIONAL AND ENVIRONMENTA	2002	65,000	PEDIATRIC ENV HLTH SPECIALITY UNIT IN MEXICO
BROOKINGS INSTITUTION	2002	99,130	THE EFFECT OF FREE TRADE AGREEMENTS ON INTERNATIONAL CAPITAL FLOWS AND ENVIRONMENTAL QUALITY
CIVIL ENGINEERING RESEARCH FOUNDATION	2003	149,953	CLEAN WATER FOR SUSTAINABLE CITIES IN CHINA
CIVIL ENGINEERING RESEARCH FOUNDATION	2003	99,994	CLEAN WATER FOR SUSTAINABLE CITIES IN CHINA
INTERNATIONAL UNION FOR THE CONSERVATI	2005	150,000	MANAGING RISKS FROM THE INTRODUCTION OF INVASIVE SPECIES LINKED TO INTERNATIONAL TRADE
NATIONAL COUNCIL ON AGING	2001	220,000	SENIOR ENVIRONMENTAL PROGRAM - OFFICE OF INTERNATIONAL ACTIVITIES
NATIONAL COUNCIL ON AGING	2001	15,000	SENIOR ENVIRONMENTAL PROGRAM - OFFICE OF INTERNATIONAL ACTIVITIES
NATIONAL COUNCIL ON AGING	2001	13,536	SENIOR ENVIRONMENTAL PROGRAM - OFFICE OF INTERNATIONAL ACTIVITIES
NATIONAL COUNCIL ON AGING	2002	100,000	SENIOR ENVIRONMENTAL EMPLOYMENT PROGRAM - OFFICE OF INTERNATIONAL ACTIVITIES
NATIONAL COUNCIL ON AGING	2002	155,400	SENIOR ENVIRONMENTAL EMPLOYMENT PROGRAM - OFFICE OF INTERNATIONAL ACTIVITIES
NATIONAL COUNCIL ON AGING	2003	220,000	SENIOR ENVIRONMENTAL EMPLOYMENT PROGRAM - OFFICE OF INTERNATIONAL ACTIVITIES
NATIONAL COUNCIL ON AGING	2004	260,500	SENIOR ENVIRONMENTAL EMPLOYMENT PROGRAM - OFFICE OF INTERNATIONAL ACTIVITIES
NATIONAL COUNCIL ON AGING	2005	252,000	SENIOR ENVIRONMENTAL EMPLOYMENT PROGRAM - OFFICE OF INTERNATIONAL ACTIVITIES
SMITHSONIAN INSTITUTION	2002	70,000	SUMMIT INSTITUTE AND WORLD SUMMIT ON SUSTAINABLE DEVELOPMENT
SMITHSONIAN INSTITUTION	2002	2,500	SUMMIT INSTITUTE AND WORLD SUMMIT ON SUSTAINABLE DEVELOPMENT
THE WASHINGTON CENTER	2002	249,806	ENVIRONMENTAL ACADEMIC TRAINEESHIP PLACEMENT PROGRAM
THE WASHINGTON CENTER	2002	15,000	ENVIRONMENTAL ACADEMIC TRAINEESHIP PLACEMENT PROGRAM
NATIONAL SAFETY COUNCIL	2001	61,590	LEAD POISONING PREVENTION. BLOOD SCREENING EDUCATION & PUBLIC ACTIVITIES IN AFRICA AND INDONESIA
THE ENVIRONMENTAL CAREERS ORGANIZATION	2002	323,030	HEADQUARTERS ENVIRONMENTAL ASSOCIATES PROGRAM FOR COLLEGE STUDENTS
NAT ASOC FOR EQUAL OPP IN HIGH ED	2001	18,200	- EPA/OW AND NAFEO FACULTY DEVELOPMENT PROGRAM AND INTERN PROGRAM
PASSAMAQUODDY TRIBE INDIAN TOWNSHIP	2003	25,000	SCIENTIFIC AND TECHNICAL WORK ON US-CANADA ST CROIX RIVER WATER QUALITY AND WATERSHED ECOSYSTEM
NATL SCIENCE FOUNDATION INTERNATIONAL	2004	10,000	ESTABLISH AND CONDUCT ACTIVITIES FOR THE ENVIRONMENTAL TECHNOLOGY VERIFICATION (ETV) PROGRAM
REGENTS OF NEW MEXICO STATE UNIVERSITY	2002	80,000	SOUTHWEST CENTER FOR ENVIRONMENTAL RESEARCH AND POLICY FY 2002
REGENTS OF NEW MEXICO STATE UNIVERSITY	2002	10,000	SOUTHWEST CENTER FOR ENVIRONMENTAL RESEARCH AND POLICY FY 2002
BORDER ENVIRONMENT COOPERATION COMM	2001	50,000	BORDER NEEDS ASSESSMENT
THE UNIVERSITY OF TEXAS AT EL PASO	2001	10,000	SCERP ENVIRONMENTAL RESEARCH AND TRAINING
AMERICAN INDIAN HIGHER EDUCATION CONSO	2001	35,000	PROJECT TO INCREASE THE CAPACITY OF INDIGENOUS PEOPLES TO MANAGE THEIR NATURAL RESOURCES
CIVIL ENGINEERING RESEARCH FOUNDATION	2004	143,998	CLEAN WATER FOR SUSTAINABLE CITIES IN CHINA
UNIVERSITY OF WASHINGTON	2001	115,730	TRANSPORT OF ASIAN AIR POLLUTION TO THE WEST COAST OF THE UNITED STATES -
Foreign			
ARCTIC MONITORING AND ASSESSMENT PROGR	2001	50,000	CONTAMINANTS AND INDIGENOUS PEOPLES IN RUSSIAN BARENTS REGION
ARCTIC MONITORING AND ASSESSMENT PROGR	2004	42,500	ARCTIC MONITORING AND ASSESSMENT PROGRAM
CHINA STATE ENV PROTECTION ADMINISTRAT	2001	150,000	CHINA-US PARTNERSHIP IN INDUSTRIAL POLLUTION PREVENTION AND ENERGY EFFICIENCY
CHINA STATE ENV PROTECTION ADMINISTRAT	2003	50,000	CHINA-US PARTNERSHIP IN INDUSTRIAL POLLUTION PREVENTION AND ENERGY EFFICIENCY
CHINA STATE ENV PROTECTION ADMINISTRAT	2003	50,000	CHINA-US PARTNERSHIP IN INDUSTRIAL POLLUTION PREVENTION AND ENERGY EFFICIENCY
CHINA STATE ENV PROTECTION ADMINISTRAT	2004	225,000	MANAGING POLLUTION FROM PERSISTENT ORGANIC POLLUTANTS (POPS) AND OTHER TOXIC SUBSTANCES IN CHINA
CLEANER PRODUCTION CENTRE	2001	15,000	CLEANER PRODUCTION PROGRAMME ANALYSIS AND SELECTION ENVIRONMENTAL PROJECTS FOR INVESTMENTS
COMMISSION FOR ENVIRONMENTAL COOPERATI	2003	74,000	10TH REGULAR SESSION OF THE COUNCIL OF THE CEC
CONSIGLIO NAZIONALE DELLE RICERCHE	2003	70,000	STUDY OF ATMOSPHERIC MECURY CYCLING IN THE NORTH POLE AT NY-ALESUND
CONSIGLIO NAZIONALE DELLE RICERCHE	2003	74,000	STUDY OF ATMOSPHERIC MECURY CYCLING IN THE NORTH POLE AT NY-ALESUND
CONSIGLIO NAZIONALE DELLE RICERCHE	2004	60,000	STUDY OF ATMOSPHERIC MECURY CYCLING IN THE NORTH POLE AT NY-ALESUND
ENVIRONMENTAL DEVELOPMENT ACTION (ENDA)	2002	206,000	INFORMATION FOR AFRICA CLIMATE TECHNOLOGY TRANSFER
EXOD ASSOC FOR BUSINESS CORPORATION	2001	32,500	CONCEPTUAL AND POLICY PREPARATION
NORTH AMERICAN COMMISSION FOR ENVIRONM	2001	50,000	SUPPORT FOR ACTIVITIES RELATED TO THE IMPLEMENTATION OF THE NACEC
NORTH AMERICAN COMMISSION FOR ENVIRONM	2002	35,000	SUPPORT FOR ACTIVITIES RELATED TO THE IMPLEMENTATION OF THE NACEC
ORG FOR ECONOMIC COOP AND DEV.	2002	114,922	CHILDREN'S ENVIRONMENTAL HEALTH AND ENVIRONMENTAL POLICY AND FIRM LEVEL MANAGEMENT PROJECT
ORG FOR ECONOMIC COOP AND DEV	2004	30,000	ENVIRONMENTAL PERFORMANCE REVIEW FOR NON-OECD MEMBERS - CHILE
ORGANIZATION OF AMERICAN STATES	2004	180,400	ENVIRONMENTALLY SUSTAINABLE TRADE NATIONAL ENVIRONMENTAL ASSESSMENT OF FREE TRADE
PAN AMERICAN HEALTH ORGANIZATION	2001	200,000	TECHNICAL COOPERATION AND ENVIRONMENTAL HEALTH IN LATIN AMERICA AND THE CARIBBEAN
PAN AMERICAN HEALTH ORGANIZATION	2002	85,000	TECHNICAL COOPERATION AND ENVIRONMENTAL HEALTH IN LATIN AMERICA AND THE CARIBBEAN
PAN AMERICAN HEALTH ORGANIZATION	2003	430,000	TECHNICAL COOPERATION AND ENVIRONMENTAL HEALTH IN LATIN AMERICA AND THE CARIBBEAN
PAN AMERICAN HEALTH ORGANIZATION	2005	110,000	IMPROVING ENVIRONMENTAL PUBLIC HEALTH IN THE AMERICAS
THE COLLEGE OF THE BAHAMAS	2002	29,500	INVENTORY OF POLYCHLORINATED BIPHENYLS IN THE BAHAMAS
UN EQUIPMENT PROGRAM CHEMICALS (IRPTC)	2001	100,000	TREATY IMPLEMENTATION PROJECT ON CHEMICALS INFORMATION EXCHANGE
UN EQUIPMENT PROGRAM CHEMICALS (IRPTC)	2001	10,000	TREATY IMPLEMENTATION PROJECT ON CHEMICALS INFORMATION EXCHANGE
UNITED NATIONS ENVIRONMENT PROGRAMME	2003	300,000	PROMOTE ENVIRONMENTAL SOUND MANAGEMENT WORLDWIDE
UNITED NATIONS ENVIRONMENT PROGRAMME	2003	80,000	PROMOTE ENVIRONMENTAL SOUND MANAGEMENT WORLDWIDE
UNITED NATIONS ENVIRONMENT PROGRAMME	2004	130,000	PROMOTE ENVIRONMENTAL SOUND MANAGEMENT WORLDWIDE
UNITED NATIONS ENVIRONMENT PROGRAMME	2004	400,000	SUPPORT FOR PARTNERSHIP FOR CLEAN FUELS AND VEHICLES
US MEXICO FOUNDATION FOR SCIENCE - FUM	2003	150,000	GLOBAL CLIMATE CHANGE ECONOMIC MODELING IN MEXICO
WORLD HEALTH ORGANIZATION	2004	65,000	ADDRESSING THE ENVIRONMENTAL BURDEN OF DISEASE AND INJURY IN CHILDREN IN THE WHO EUROPE REGION
Reimbursable Funds			
Domestic			

Recipient	FY	Awarded	Description
BARROW ARCTIC SCIENCE CONSORTIUM	2001	50,000	FACILITATE SCIENCE EDUCATION THROUGH THE CHUKOTKA (RUSSIA) AND ALASKA MERCURY IN SNOWPROJECT
BARROW ARCTIC SCIENCE CONSORTIUM	2002	25,000	FACILITATE SCIENCE EDUCATION THROUGH THE CHUKOTKA (RUSSIA) AND ALASKA MERCURY IN SNOWPROJECT
WINROCK INTERNATIONAL	2003	501,856	CLEAN INDOOR AIR PARTNERSHIP COORDINATION-
INTL COUNCIL FOR LOCAL ENV INITIATIVES	2001	140,000	CITIES FOR CLIMATE PROTECTION CAMPAIGN IN MEXICO AND THE PHILIPPINES
UNIVERSITY OF CALIFORNIA RIVERSIDE	2002	290,000	INTERNATIONAL VEHICLE EMISSIONS MODEL
PACIFIC ENVIRONMENT AND RESOURCES CENT	2002	38,000	INTERNATIONAL WATER MONITORING OF THE AMUR RIVER A RUSSIA/CHINA INITIATIVE
ASSOC OF BAY AREA GOVERNMENTS	2002	100,000	REGULATORY MANAGEMENT STRATEGIES FOR HAZARDOUS INDUSTRIAL WASTE INFORMATION PACKAGE
INSTITUTE FOR MARKET TRANSFORMATION	2002	83,164	DEVELOPMENT AND IMPLEMENTATION OF ENERGY CODES FOR BUILDINGS IN KAZAKHSTAN
UNIVERSITY OF CALIFORNIA RIVERSIDE	2003	225,000	INTERNATIONAL VEHICLE EMISSIONS MODEL
INSTITUTE FOR MARKET TRANSFORMATION	2003	50,000	DEVELOPMENT AND IMPLEMENTATION OF ENERGY CODES FOR BUILDINGS IN KAZAKHSTAN
US CHINA ASSOC FOR ENVIRON EDUCATION	2003	60,000	EDUCATIONAL TOOL FOR ENVIRONMENTAL PROTECTION SYSTEM-INFORMATION PACKAGE
INTL COUNCIL FOR LOCAL ENV INITIATIVES	2004	85,884	CITIES FOR CLIMATE PROTECTION CAMPAIGN IN MEXICO AND THE PHILIPPINES
THE ASIA FOUNDATION	2004	94,998	TAIWAN ENVIRONMENTAL STUDY TOURS
THE ASIA FOUNDATION	2005	79,249	TAIWAN ENVIRONMENTAL STUDY TOURS
ROCKY MOUNTAIN INSTITUTE	2001	50,000	ASSESSMENT AND EXCHANGE ON GREEN BUILDINGS PRACTICES IN OECD-MEMBER COUNTRIES
ROCKY MOUNTAIN INSTITUTE	2002	10,000	ASSESSMENT AND EXCHANGE ON GREEN BUILDINGS PRACTICES IN OECD-MEMBER COUNTRIES
WATER FOR PEOPLE	2004	180,000	COMMUNITY BASED URBAN AND PERI-URBAN DRINKING WATER CAPACITY BUILDING PROJECT IN AFRICA
COUNTERPART INTERNATIONAL INC	2001	465,000	ENVIRON ED TRNING AND TECH ASSIST IN NIS
AMERICAN ASSOCIATION ADVANCEMENT OF SC	2001	2,068	AAAS-EPA ENVIR SCIENCE & ENG FELLOWS PROGRAM
THE CENTER FOR DEMONCRACY	2001	6,518	THE ENVIRONMENTAL SITUATION IN RUSSIA, PROBLEMS AND PROSPECTS
COUNTERPART INTERNATIONAL INC	2002	444,000	ENVIRON ED TRNING AND TECH ASSIST IN NIS
AMERICAN ASSOCIATION ADVANCEMENT OF SC	2002	4,456	AAAS-EPA ENVIR SCIENCE & ENG FELLOWS PROGRAM
PARTNERSHIP FOR ENERGY & ENVIRONMENTAL	2002	40,000	UKRAINE COALBED METHANE EMISSIONS CONTROL AND DEVELOPMENT
CIVIL ENGINEERING RESEARCH FOUNDATION	2002	300,253	BUSINESS LINKAGES FOR REFINERY CONVERSIONS
CHILDRENS ENVIRONMENTAL HEALTH NETWOR	2002	10,000	FOLLOW-UP TO CHILDREN'S ENVIRONMENTAL HEALTH II A GLOBAL FORUM FOR ACTION
COUNTERPART INTERNATIONAL INC	2003	260,000	ENVIRON ED TRNING AND TECH ASSIST IN NIS
PARTNERSHIP FOR ENERGY & ENVIRONMENTAL	2003	40,000	UKRAINE COALBED METHANE EMISSIONS CONTROL AND DEVELOPMENT
NATIONAL CAUCUS & CENTER ON BLACK AGED	2003	20,000	SENIOR ENVIRONMENTAL EMPLOYMENT PROGRAM OFFICE OF ENFORCEMENT & COMPLIANCE ASSURANCE
NATIONAL CAUCUS & CENTER ON BLACK AGED	2003	10,000	SENIOR ENVIRONMENTAL EMPLOYMENT PROGRAM-REGION IV
EMISSIONS MARKETING ASSOCIATION	2004	238,007	TO PROMOTE THE USE OF MARKET BASED MECHANISMS TO ADDRESS ENVIRONMENTAL ISSUES
INSTITUTE FOR MARKET TRANSFORMATION	2004	89,969	DEVELOPMENT AND IMPLEMENTATION OF ENERGY CODES FOR BUILDINGS IN KAZAKHSTAN
INSTITUTE FOR MARKET TRANSFORMATION	2004	158,000	ENERGY-EFFICIENT BUILDING CODES PROJECT
INSTITUTE FOR GOVERNANCE AND SUSTAINAB	2005	71,776	SECRETARIAT SERVICES FOR INTERNATIONAL NETWORK FOR ENVIRONMENTAL COMPLIANCE AND ENFORCEMENT (INECE)
INSTITUTE FOR GOVERNANCE AND SUSTAINAB	2005	39,294	SUPPORT FOR THE 7TH INTERNATIONAL CONFERENCE FOR ENVIRONMENTAL COMPLIANCE AND ENFORCEMENT
INSTITUTE FOR MARKET TRANSFORMATION	2005	27,900	ENERGY-EFFICIENT BUILDING CODES PROJECT
ENVIRONMENTAL LAW INSTITUTE	2005	86,700	CAPACITY BUILDING FOR MOROCCAN NONGOVERNMENTAL ORGANIZATIONS
NATIONAL SAFETY COUNCIL	2003	7,466	LEAD POISONING PREVENTION BLOOD SCREENING EDUCATION & PUBLIC ACTIVITIES IN AFRICA AND INDONESIA
KANSAS STATE UNIVERSITY	2001	75,000	TECHNICAL ASSISTANCE IN SUPPORT OF BIOREMEDIATION AND PHYTOREMEDIATION RESEARCH IN KAZAKHSTAN -
KANSAS STATE UNIVERSITY	2001	66,775	SCIENCE AND TRADITIONAL KNOWLEDGE -
KANSAS STATE UNIVERSITY	2004	25,000	TECHNICAL ASSISTANCE IN SUPPORT OF BIOREMEDIATION AND PHYTOREMEDIATION RESEARCH IN KAZAKHSTAN -
THE ENVIRONMENTAL CAREERS ORGANIZATION	2002	310,549	HEADQUARTERS ENVIRONMENTAL ASSOCIATES PROGRAM FOR COLLEGE STUDENTS
NEW HAMPSHIRE DEPT OF ENVIRON SERVICES	2005	104,378	CONTINUING SUPPORT OF THE NORTHEAST REGIONAL POLLUTION PREVENTION CENTER
BOARD OF REGENTS UCCSN	2003	69,937	INDIA SOURCE APPORTIONMENT TRAINING AND DEMONSTRATION
GLYNWOOD CENTER	2001	50,000	INTERNATIONAL URBAN WATERSHED MANAGEMENT EXCHANGE-
ENVIRONMENTAL DEFENSE INC	2002	53,382	IMPROVING THE ECONOMIC/ENVIRONMENTAL PROTECTION POLICY-
NATURAL RESOURCE DEFENSE COUNCIL	2002	99,811	DEVELOPMENT AND IMPLEMENTATION OF ENERGY-EFFICIENT CODES FOR BUILDINGS IN KAZAKSTAN-
NATURAL RESOURCE DEFENSE COUNCIL	2003	47,000	DEVELOPMENT AND IMPLEMENTATION OF ENERGY-EFFICIENT CODES FOR BUILDINGS IN KAZAKSTAN-
NATURAL RESOURCES DEFENSE COUNCIL	2003	51,000	IMPLEMENTATION OF BUILDING ENERGY CODES IN RUSSIA-
INSTITUTE FOR MARKET TRANSFORMATION	2003	66,000	IMPLEMENTATION OF BUILDING ENERGY CODES IN RUSSIA-
ENVIRONMENTAL DEFENSE	2003	74,363	HUMAN HEALTH RISK ASSESSMENT AND RISK MANAGEMENT TRANSITION ECONOMICS-
NATURAL RESOURCE DEFENSE COUNCIL	2004	74,431	DEVELOPMENT AND IMPLEMENTATION OF ENERGY-EFFICIENT CODES FOR BUILDINGS IN KAZAKSTAN-
ENVIRONMENTAL DEFENSE	2004	240,000	ENVIRONMENTAL CAPACITY BUILDING IN NEWLY INDEPENDENT STATES
ENVIRONMENTAL DEFENSE	2005	125,000	ENVIRONMENTAL CAPACITY BUILDING IN NEWLY INDEPENDENT STATES
INTERNATIONAL SUSTAINABLE DEVELOPMENT	2001	10,000	APEC 21ST WORKSHOP ON SUSTAINABLE DEV & PUBLIC PARTICIPATION-
UNIVERSITY OF TENNESSEE	2002	92,841	TECH TRANSFER OF US EPA'S ADVANCED AIR QUALITY MODELING & EMISSIONS INVENTORY TOOLS FOR ENVIRON IMPACT ASSESSMENT IN TAIWAN
TEXAS A&M RESEARCH FOUNDATION	2001	74,440	FIELD SURVEY OF ENDANGERED WHALE POPULATION OFFSHORE OF SAKHALIN ISLAND IN RUSSIAN
GLOBAL ENVIRONMENT & TECHNOLOGY FDN	2001	200,000	INTERNATIONAL CENTER FOR ENVIRONMENTAL FINANCE DEVELOPMENT
GLOBAL ENVIRONMENT & TECHNOLOGY FDN	2002	365,000	INTERNATIONAL CENTER FOR ENVIRONMENTAL FINANCE DEVELOPMENT
GLOBAL ENVIRONMENT & TECHNOLOGY FDN	2002	440,000	INTERNATIONAL CENTER FOR ENVIRONMENTAL FINANCE DEVELOPMENT
GLOBAL ENVIRONMENT & TECHNOLOGY FDN	2003	520,000	INTERNATIONAL CENTER FOR ENVIRONMENTAL FINANCE DEVELOPMENT
GLOBAL ENVIRONMENT & TECHNOLOGY FDN	2004	626,000	INTERNATIONAL CENTER FOR ENVIRONMENTAL FINANCE DEVELOPMENT
EMISSIONS MARKETING ASSOCIATION	2002	415,000	TO PROMOTE THE USE OF MARKET BASED MECHANISMS TO ADDRESS ENVIRONMENTAL ISSUES
EMISSIONS MARKETING ASSOCIATION	2003	249,518	TO PROMOTE THE USE OF MARKET BASED MECHANISMS TO ADDRESS ENVIRONMENTAL ISSUES
Foreign			
REG ENV CTR FOR CENTRAL AND EASTERN EUROPE	2001	199,000	LOCAL ENVIRONMENTAL ACTION PROGRAM (LEAP)
UN EQUIPMENT PROGRAM CHEMICALS (IRPTC)	2001	250,000	TREATY IMPLEMENTATION PROJECT ON CHEMICALS INFORMATION EXCHANGE
UN EQUIPMENT PROGRAM CHEMICALS (IRPTC)	2001	40,736	TREATY IMPLEMENTATION PROJECT ON CHEMICALS INFORMATION EXCHANGE
UN EQUIPMENT PROGRAM CHEMICALS (IRPTC)	2001	305,000	TREATY IMPLEMENTATION PROJECT ON CHEMICALS INFORMATION EXCHANGE
CENTRO DE GESTION TECNOLOGICA E INFORM	2001	199,548	CLEANER PRODUCTION PILOT PROJECT

Recipient	FY	Awarded	Description
SWISSCONTACT	2001	70,000	LEAD POISONING PREV BLOOD LEAD SCREENING EDUC & PUBLIC OUTREACH ACTIVITIES IN INDONESIA
REGIONAL ENVIRON CTR-CAUCASUS	2001	40,000	ENVIRONMENTAL ASSISTANCE INFORMATION AND TRAINING PROGRAMS
REG ENV CTR FOR CENTRAL AND EASTERN EUROPE	2001	750,000	REGIONAL ENVIRONMENTAL RECONSTRUCTION PROGRAM FOR SOUTH EASTERN EUROPE
KUKULKAN FOUNDATION	2001	50,200	CLEAN AIR WORKSHOPS
WORLD WIDE FUND FOR NATURE	2001	30,000	DEV OF MARINE PROTECTED AREAS AND LEGAL MECHANISMS FOR MARINE CONSERVATION IN THE RUSSIAN FAR EAST
REG ENV CTR FOR CENTRAL AND EASTERN EUROPE	2001	55,329	SOLID WASTE MANAGEMENT AND LEAD PHASE-OUT ACTIVITIES IN BULGARIA
KUKULKAN FOUNDATION	2001	12,000	WATER AND WASTEWATER LABORATORY WORKSHOP
UNIVERSITY OF NORTHERN BRITISH COLUMBI	2001	70,750	ASIAN DUST CONFERENCE
UN INSTITUTE FOR TRAINING AND RESEARCH	2001	80,000	ENVIRONMENTAL LAW PROGRAM AND CORREPONDENCE COURSE AND WORKSHOPS
INTERNATIONAL SCIENCE AND TECHNOLOGY C	2001	730,000	ENVIRONMENTAL CAPACITY-BUILDING STUDIES AND INVESTIGATIONS
REG ENV CTR FOR CENTRAL AND EASTERN EUROPE	2002	84,902	LOCAL ENVIRONMENTAL ACTION PROGRAM (LEAP)
UN EQUIPMENT PROGRAM CHEMICALS (IRPTC)	2002	348,250	TREATY IMPLEMENTATION PROJECT ON CHEMICALS INFORMATION EXCHANGE
UN EQUIPMENT PROGRAM CHEMICALS (IRPTC)	2002	70,000	TREATY IMPLEMENTATION PROJECT ON CHEMICALS INFORMATION EXCHANGE
INDUSTRIAL TECHNOLOGY RESEARCH INSTITU	2002	900,000	DEMONSTRATION PROJECT FOR THE ABATEMENT OF NITROGEN OXIDE EMISSION USING REBURNING TECHNOLOGY FOR CO
REG ENV CTR-KYIV	2002	80,000	ENVIRONMENTAL IMPACT ASSESMENT
CENTER FOR RUSSIAN ENVIRONMENTAL POLIC	2002	25,000	PARTIAL SUPPORT OF THE ALL RUSSIA CONFERENCE ON ENVIRONMENTAL SECURITY
CLEANER PRODUCTION CENTRE	2002	75,000	CLEANER PRODUCTION PROGRAMME AT ARTIC REGION
UKRAINIAN LAND AND RESOURCE MANAGEMENT	2002	149,982	DNIPRO ESTUARY WATER QUALITY MANAGEMENT PROJECT
INTERN INDEP UNIV. OF ENVIRON & POL	2002	75,000	DEVELOPMENT OF INDEPENDENT MONITORING OF MERCURY CONTAMINATION IN A LARGE URBAN AREA
REGIONAL ENVIRONMENTAL CENTRE MOLDOVA	2002	50,000	PUBLIC PARTICIPATION IN LOCAL ENVIRONMENTAL ACTION PLAN DEVELOPMENT AND IMPLEMENTATION
CENTRO DE GESTION TECNOLOGICA E INFORM	2002	100,000	CHEMICALS INFORMATION EXCHANGE AND NETWORKING PROJECT IN CENTRAL AMERICA AND MEXICO
DANISH ENVIRONMENTAL PROTECTION AGENCY	2002	47,000	REDUCTION OF ATMOSPHERIC MERCURY EMISSIONS IN THE RUSSIAN FEDERATION
REGIONAL ENVIRON CTR-CAUCASUS	2003	100,000	ENVIRONMENTAL ASSISTANCE INFORMATION AND TRAINING PROGRAMS
REG ENV CTR FOR CENTRAL AND EASTERN EUROPE	2003	40,000	REGIONAL ENVIRONMENTAL RECONSTRUCTION PROGRAM FOR SOUTH EASTERN EUROPE
UKRAINIAN LAND AND RESOURCE MANAGEMENT	2003	149,946	DNIPRO ESTUARY WATER QUALITY MANAGEMENT PROJECT
SOUTH AFRICAN MEDICAL RESEARCH COUNCIL	2003	50,309	CHILDHOOD BLOOD LEAD MANGANESE LEVELS IN SOUTH AFRICA
UNITED NATIONS ENVIRONMENT PROGRAMME	2003	30,000	PROMOTE ENVIRONMENTAL SOUND MANAGEMENT WORLDWIDE
KPBB-JOINT COMMITTEE FOR LEADED GASOLINE	2003	125,000	LEAD POISONING PREVENTION
UNIVERSITY OF THE PHILIPPINES	2003	27,830	TOXIC AND HAZARDOUS WASTE MANAGEMENT CERTIFICATE PROGRAM
ENVIRONMENTAL JUSTICE NET. FORUM	2003	9,637	LEAD POISONING PREVENTION
POLLUTION CONTROL DEPARTMENT	2003	40,000	CLEAN AIR TRAINING NETWORK FOR ASIAN CITIES (CATNET-ASIA) COORDINATOR
FUNDACION DR MANUEL GALLARDO	2003	49,989	PREPARATION AND DISSEMINATION OF THE ENVIRONMENTAL LAW TEXTBOOK FOR CENTRAL AMERICA
PAN AMERICAN HEALTH ORGANIZATION	2001	63,450	TECHNICAL COOPERATION AND ENVIRONMENTAL HEALTH IN LATIN AMERICA AND THE CARIBBEAN
PAN AMERICAN HEALTH ORGANIZATION	2001	249,561	TECHNICAL COOPERATION AND ENVIRONMENTAL HEALTH IN LATIN AMERICA AND THE CARIBBEAN
UNITED NATIONS ENVIRONMENT PROGRAMME	2003	295,000	SUPPORT FOR PARTNERSHIP FOR CLEAN FUELS AND VEHICLES
REGIONAL ENVIRONMENTAL CENTER FOR CENT	2003	200,000	ENVIRONMENTAL MANAGEMENT IN CENTRAL ASIA
SCIENCE AND TECHNOLOGY CENTER IN UKRAI	2003	630,000	IMPROVING ENVIRONMENTAL MANAGEMENT UNDER THE NONPROLIFERATION PROGRAM IN THE NEW INDEPENDENT STATES
INTERNATIONAL SCIENCE AND TECHNOLOGY C	2003	2,000,000	IMPROVEMENT OF ENVIRONMENTAL MANAGEMENT IN THE NEWLY INDEPENDENT STATES
REGIONAL ENVIRON CTR-CAUCASUS	2004	94,000	ENVIRONMENTAL ASSISTANCE INFORMATION AND TRAINING PROGRAMS
UNITED NATIONS ENVIRONMENT PROGRAMME	2004	27,000	PROMOTE ENVIRONMENTAL SOUND MANAGEMENT WORLDWIDE
POLLUTION CONTROL DEPARTMENT	2004	51,450	CLEAN AIR TRAINING NETWORK FOR ASIAN CITIES (CATNET-ASIA) COORDINATOR
UNITED NATIONS ENVIRONMENT PROGRAMME	2004	210,000	SUPPORT FOR PARTNERSHIP FOR CLEAN FUELS AND VEHICLES
INTERNATIONAL SCIENCE AND TECHNOLOGY C	2004	1,370,000	IMPROVEMENT OF ENVIRONMENTAL MANAGEMENT IN THE NEWLY INDEPENDENT STATES
GOVT OF MOROCCO - DEPT OF ENVIRONMENT	2004	34,000	US-MOROCCO FREE TRADE AGREEMENT CAPACITY BUILDING TRAINING
REGIONAL ENVIRON CTR-CAUCASUS	2005	105,000	ENVIRONMENTAL ASSISTANCE INFORMATION AND TRAINING PROGRAMS
UNITED NATIONS ENVIRONMENT PROGRAMME	2005	100,000	SUPPORT FOR PARTNERSHIP FOR CLEAN FUELS AND VEHICLES
SCIENCE AND TECHNOLOGY CENTER IN UKRAI	2005	1,300,000	IMPROVING ENVIRONMENTAL MANAGEMENT UNDER THE NONPROLIFERATION PROGRAM IN THE NEW INDEPENDENT STATES
INTERNATIONAL SCIENCE AND TECHNOLOGY C	2005	2,318,274	IMPROVEMENT OF ENVIRONMENTAL MANAGEMENT IN THE NEWLY INDEPENDENT STATES
NATIONAL ENVIRONMENTAL ENGINEERING RES	2005	610,199	SUPPORT FOR ENVIRONMENTAL PROTECTION ACTIVITIES IN INDIA
APPLIED INNOVATING CTR FOR COMPET TECH (CIATEC)	2005	25,000	MANUAL AND WORKSHOP ON CLEANER PRODUCTION FOR CENTRAL AMERICA LEATHER PROCESSING INDUSTRIES
ADVISORY COMMITTEE ON PROTECTION OF TH	2005	944,100	SUPPORT FOR PROTECTION OF THE ARCTIC MARINE ENVIRONMENT

OIA FY 2007 Budget
INH-010

(in thousands)

Appropriated EPM Funds by Program Project	FY 07 Pres Bud		
	Total $	Extramural $	FTE
CEC	$4,137.0	$3,005.6	7.4
Env & Trade	$1,861.2	$580.9	8.9
International Capacity Building	$6,390.3	$1,185.6	37.1
POPs Implementation	$1,808.7	$79.1	12.3
US Mexico Border	$6,061.0	$2,853.7	24.2
Totals	**$20,258.2**	**$7,704.9**	**89.9**

** Extramural funds include contracts, grants, general expenses, and interagency agreements.

OFFICE OF INTERNATIONAL AFFAIRS: PRINCIPLE FUNCTIONS OF OIA

Question 12. What are the principle functions of the OIA that are not covered by, or do not involve, either another EPA program office or the Department of State?

Response. OIA has the lead on several important international environmental activities, as well as the responsibility to coordinate within ther Agency, and collaborates extensively with other Government agencies and international organizations to implement international programs. For example, OIA leads the USG's participation in the Commission of Environmental Cooperation (CEC), which was established for trilateral support following the passage of NAFTA. EPA's lead U.S. Government role is critical to ensure that activities generate concrete results consistent with U.S. goals and priorities. OIA also represents EPA and the U.S. Government on the Environmental Policy Committee of the Organization for Economic Cooperation and Development (OECD). OIA performs three major functions pursuant to the Trade Promotion Authority Act of 2002 which requires environmental reviews of trade agreements and of the provisions in each agreement to prevent lowering foreign environmental standards or weakening the enforcement of existing laws to attract investment or trade.

RESPONSES BY STEPHEN L. JOHNSON TO ADDITIONAL QUESTIONS FROM SENATOR JEFFORDS

ENDANGERED SPECIES ACT COUNTERPART REGULATIONS AND ALTERNATIVE CONSULTATION AGREEMENT

Question 1. The President's request for the pesticides program at EPA is $6.4 million less than the 2006 level. What impact will this reduction have on implementing the counterpart regulations and alternative consultation agreement EPA has developed with the Fish and Wildlife Service and NOAA for threatened and endangered species?

Response. Since the counterpart regulations were promulgated and the Alternative Consultation Agreement was signed, EPA has gone forward with implementation of the Endangered Species program. We expect to be able to continue our implementation with the resources made available to us in 2006 and requested for 2007. The FY 2007 funding request includes additional fee revenues to address endangered species.

SUPERFUND: CONSTRUCTION FUNDING

Question 2. Just 2 years ago, the President's budget stated that "funding for EPA Superfund construction projects is critical to achieving risk reduction and construction completion and restoration of contaminated sites to productive reuse." Yet today, the President proposes $138 million less for actual Superfund cleanups than he did in FY 05. At these levels, is the program going to be able to meet its performance targets in FY 07?

Response. Yes, EPA expects to meet its FY 2007 performance targets under the proposed budget.

SUPERFUND: PIPELINE FUNDING

Question 3. While the President proposes a modest increase in the overall Superfund budget, actual cleanup funds are proposed to be cut by over $7 million. This appears to have a significant impact on the entire pipeline of cleanup activities, from site investigation to construction completion. For example, EPA's target for completing site assessments will plummet by 17 percent from 419 in FY 2006 to just 350 in FY 2007. Am I correct that the proposed cuts, if enacted, will adversely impact the Agency's Superfund pipeline activities?

Response. EPA will continue site investigation and feasibility study work. EPA will target site assessment work by concentrating on sites with the highest expected risk. The cleanup program will continue to focus on conducting and completing cleanups at NPL sites that have construction projects underway or are ready to begin construction. However, this priority must be balanced with other program objectives (e.g., assessing possible new sites, evaluating and selecting remedies at current sites, ensuring responsible party participation, documenting and recovering EPA's response costs). EPA believes our proposal strikes the right balance among Superfund program objectives.

PERFORMANCE TRACK-ENFORCEMENT INCENTIVE

Question 4. Has the "low priority for inspections" enforcement incentive for Performance Track members impacted any State's ability to inspect a Performance Track facility or pursue an enforcement action against such a facility?

Response. No, the low priority for routine EPA inspections incentive has not impacted any state's ability to inspect Performance Track facilities or to pursue enforcement actions against such facilities. By its very definition, this incentive applies only to routine EPA (Federal) enforcement inspections. EPA encourages states to follow this policy, but each state is free to follow whatever inspection priorities they deem appropriate. The overwhelming majority of all inspections are conducted by states. Performance Track facilities cover less than 1 percent of the potential inspection universe.

The policy of considering members to be a low priority for routine inspection was developed to allow EPA, and states if they so choose, to shift inspection resources from facilities with strong compliance records to facilities that present a greater risk of non-compliance and those which are rarely, if ever, inspected. EPA, however, does inspect member facilities for cause, as outlined in guidance and when required by statute or regulation.

LEAD-GAO

Question 5a. The GAO recently completed a report that I requested with some of my colleagues on the House side about the EPA's lead in drinking water regulations. GAO found that data gaps impair the Agency's ability to oversee implementation of the existing lead and copper rule and that the regulatory framework for lead in drinking water should be improved to ensure that public health is protected.

Can you describe now generally, and more specifically for the record, How and when the Agency plans to solve the data problems identified by GAO?

Response. EPA clearly understands the importance of ensuring that we have complete and accurate information from public water systems and states on compliance with the Lead and Copper Rule (LCR). We are continuing to work with States to ensure that relevant information is loaded into our Safe Drinking Water Information System (SDWIS). We have modified our protocol for data verifications to include a component that looks specifically at compliance data for the LCR. This includes reviewing the accuracy of information in the files (e.g., calculation of the 90th percentile), completeness of information (e.g., 90th percentile values and individual sample results), and an evaluation as to whether the utility and State have appropriately followed up on exceedances of the lead action level. We believe that our increased scrutiny of the data in State files will have the effect of ensuring greater attention on their part to compliance by systems.

Question 5b. How and when the Agency plans to strengthen lead in drinking water regulations?

Response. In 2006, EPA will propose a number of short-term revisions to the LCR. Several of the areas that GAO recommended should be reviewed, will be addressed by these short-term changes. We will also be releasing guidance in 2006 that will help states and water systems better evaluate the potential effects of making treatment changes on their ability to control corrosion.

SUPERFUND: CLEANUP FUNDING

Question 6. The President proposed an $11 million decrease in funding for the Superfund cleanup program. At the same time, abandoned sites throughout the country are languishing on the National Priorities List due to inadequate cleanup funds. In my State of Vermont, the Elizabeth Mine site has waited for years to finally receive modest funds to begin partial remedy construction, while the investigations at the Ely Mine site and the Pike Hill sites are proceeding slowly due to partial funding. Won't an $11 million cut in funding further delay overall cleanups?

Response. EPA has provided cleanup funding to the Elizabeth Mine site. In March 2003, EPA conducted a Superfund removal cleanup action to address the instability of the tailing dam. EPA repaired internal dam erosion and installed a new drainage pipe to help prevent future erosion. In 2004, EPA installed a soil buttress to stabilize the tailing dam to reduce the threat of a dam failure. Likewise, Remedial Investigation and Feasibility Studies are underway at the Ely Mine and Pike Hill Superfund sites. EPA believes the President's budget strikes the right balance among Superfund program objectives. The program expects to meet its FY 2007 performance targets under the proposed budget.

SUPERFUND: IMPACTS OF HOMELAND SECURITY BUDGET ON SUPERFUND BUDGET

Question 7. Events over the past few years have illustrated the vital role of Superfund in enhancing EPA's capacity to respond to a variety of national emergencies. The Superfund program was actively engaged in cleanup of debris from the World Trade Center and the Space Shuttle Discovery, decontamination of the Hart Senate Office Building and testing toxic sludge from Hurricane Katrina. The President proposes to increase EPA's homeland security funding by over $12 million to $52 million in total. Despite this important new mission, the overall Superfund budget has remained relatively flat. Why isn't the President proposing additional resources for Superfund's homeland security related activities instead of redirecting scarce resources away from cleaning up toxic waste sites in communities across the nation?

Response. Cleaning up Superfund hazardous waste sites will remain a Superfund program top priority. The Agency is increasing the Superfund construction budget by $4 million over the FY 2006 enacted level by redirecting funds from earlier phase activities to construction. The Agency also expects to meet its 2007 performance targets. Resources designated for Homeland Security will help build much needed capacity to prepare and respond effectively to nationally significant incidents, especially those involving chemical, biological and radiological substances.

RCRA DEFINITION OF SOLID WASTE QUESTION

Question 8. It has been widely reported that EPA plans to broaden its proposal to revise the definition of solid waste beyond intra-industry recycling. While this concept was mentioned briefly in the lengthy preamble to the proposed rule, this would be a major departure from the approach on which EPA sought comment in 2003. Am I correct that EPA will seek additional public comment before proceeding with final rule on this issue that goes beyond the logical outgrowth of the original proposed regulatory (not preamble) language?

Response. EPA continues its work to revise the definition of solid waste. As we complete our analyses, should we determine that it is appropriate to move beyond a logical outgrowth of our October 2003 proposal, EPA will provide additional opportunity for public comment.

INSTITUTIONAL CONTROLS

Question 9. What is the status of EPA's efforts to ensure that institutional controls (ICs) at CERCLA and RCRA sites where residual contamination is left in place are fully implemented and enforceable?

Response. EPA's RCRA Program is pursuing various activities to ensure Regions and states are aware of the need to implement ICs that are enforceable and protect the integrity of cleanups. The Agency continues to facilitate the maintenance and exchange of information concerning ICs internally through the RCRA Info-based IC tracking system and externally through various websites.

In October 2004, EPA developed a strategy for ensuring that ICs are successfully implemented at Superfund sites, with an emphasis on ensuring the long-term protectiveness of sites where construction of cleanup activities is complete. The Agency is two years into implementing the Superfund 5-year strategy nationally and we continue to devote a significant amount of time and energy to improve the effectiveness of ICs.

Question 10. In addition, please address EPA's efforts to implement the recommendations of last year's GAO report.

Response. Currently, EPA is developing guidance on IC Implementation and Assurance Plans, Estimating the Life-Cycle Costs of ICs and Evaluating the Effectiveness of ICs, and Ensuring Effective and Reliable ICs at RCRA Facilities.

EPA continues to focus on gathering accurate IC tracking information through population of the Superfund Institutional Controls Tracking System. In addition, the Agency continues to emphasize the importance of proper implementation and enforcement of ICs to RCRA managers through training and regular meetings regarding IC issues and implementation.

E-WASTE: HARMONIZE STATE EFFORTS

Question 11. The storage, safe handling, recycling, and disposal of electronic waste pose many challenges for our nation. More than 22 million computers are sold each year in the United States alone and most will be obsolete in 2-3 years. Each day, on average, 220 tons of computers and other e-waste are dumped in landfills or incinerated in the United States. In 2003, only 10 percent of consumer electronics were recycled in the United States. Four States have banned landfill disposal of cathode ray tubes and three States have passed e-waste legislation (Maine, Cali-

fornia, and Maryland) that are each uniquely different laws. Twenty six additional States are also considering e-waste legislation. This patchwork of State regulation and limited industry involvement is not sufficient to address the expected growth in e-waste and it could put some United States manufacturers at a disadvantage if they have to comply with multiple State regulations.

What is the EPA doing to harmonize State efforts in this area?

Response. EPA is working closely with States by providing stakeholder meetings and a conference where States can learn from each other and share experiences in this area. In recognition of the need for greater harmonization, EPA convened a national meeting of stakeholders interested in e-waste issues in March 2005. As a result, the Agency now works with the third-party organization, a private multi-State entity in the Pacific Northwest, to develop Best Management Practices for recycling of e-waste. This is one example of several collaborative projects initiated by the meeting.

EPA also created the Plug-In To eCycling campaign to foster partnerships between electronics manufacturers, retailers, and Governments. Plug-In to eCycling encourages and supports innovative voluntary partnerships to increase the availability of convenient and affordable electronics recycling and reuse opportunities for citizens. It is intended that the innovations illustrated by these partnerships will inform State policymaking on electronics recovery. The program currently has four State partners and 22 local Government partners.

E-WASTE: LIMITED STATE RESOURCES

Question 12. The storage, safe handling, recycling, and disposal of electronic waste pose many challenges for our nation. More than 22 million computers are sold each year in the United States alone and most will be obsolete in 2-3 years. Each day, on average, 220 tons of computers and other e-waste are dumped in landfills or incinerated in the United States. In 2003, only 10 percent of consumer electronics were recycled in the United States. Four States have banned landfill disposal of cathode ray tubes and three States have passed e-waste legislation (Maine, California, and Maryland) that are each uniquely different laws. Twenty six additional States are also considering e-waste legislation. This patchwork of State regulation and limited industry involvement is not sufficient to address the expected growth in e-waste and it could put some United States manufacturers at a disadvantage if they have to comply with multiple State regulations.

What is the EPA doing to help the States avoid duplicative efforts that will drain the States' already limited resources?

Response. EPA is promoting information sharing, encouraging consistent approaches which include Best Management Practices among States, and supporting multi-State and regional efforts. These approaches can potentially save scarce resources by limiting time needed for gathering information, research, and building consensus.

E-WASTE: NATIONAL WASTE SYSTEM

Question 13. The storage, safe handling, recycling, and disposal of electronic waste pose many challenges for our nation. More than 22 million computers are sold each year in the United States alone and most will be obsolete in 2-3 years. Each day, on average, 220 tons of computers and other e-waste are dumped in landfills or incinerated in the United States. In 2003, only 10 percent of consumer electronics were recycled in the United States. Four States have banned landfill disposal of cathode ray tubes and three States have passed e-waste legislation (Maine, California, and Maryland) that are each uniquely different laws. Twenty six additional States are also considering e-waste legislation. This patchwork of State regulation and limited industry involvement is not sufficient to address the expected growth in e-waste and it could put some United States manufacturers at a disadvantage if they have to comply with multiple State regulations.

What, if any, EPA resources are being dedicated to establish a national e-waste system (including FTE and extra-mural dollars)?

Response. EPA is not devoting resources to establishing a uniform national system for e-waste management. We are helping to support experimentation with different approaches that reflect varying conditions around the country, including regional arrangements.

E-WASTE: REGIONAL/STATE LEGISLATURE & VOLUNTARY PROGRAMS

Question 14. The storage, safe handling, recycling, and disposal of electronic waste pose many challenges for our nation. More than 22 million computers are sold each year in the United States alone and most will be obsolete in 2-3 years. Each day,

on average, 220 tons of computers and other e-waste are dumped in landfills or incinerated in the United States. In 2003, only 10 percent of consumer electronics were recycled in the United States. Four States have banned landfill disposal of cathode ray tubes and three States have passed e-waste legislation (Maine, California, and Maryland) that are each uniquely different laws. Twenty six additional States are also considering e-waste legislation. This patchwork of State regulation and limited industry involvement is not sufficient to address the expected growth in e-waste and it could put some United States manufacturers at a disadvantage if they have to comply with multiple State regulations.

What, if any, EPA resources are being dedicated to support regional State e-waste efforts in the form of legislation and voluntary programs (including FTE and extramural dollars)?

Response. EPA has limited resources dedicated to support for regional State e-waste efforts. The third party organization and a portion of the funds and FTE in the Plug-In to eCycling program are resources dedicated to such efforts. We can follow up with more information if desired.

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EPEAT .2 FTE

EPA is not devoting FTE to support State legislation. While section 8003(d) of RCRA authorizes EPA to recommend model codes, ordinances and statutes, in cooperation with appropriate State and local agencies, 8003(g) of RCRA imposes restrictions on the ability of the EPA to represent an Agency position in favor of such provisions.

E-WASTE: RCRA SECTION 1005 INTER-STATE COOPERATION AND COMPACTS

Question 15. The storage, safe handling, recycling, and disposal of electronic waste pose many challenges for our Nation. More than 22 million computers are sold each year in the United States alone and most will be obsolete in 2-3 years. Each day, on average, 220 tons of computers and other e-waste are dumped in landfills or incinerated in the United States. In 2003, only 10 percent of consumer electronics were recycled in the United States. Four States have banned landfill disposal of cathode ray tubes and three States have passed e-waste legislation (Maine, California, and Maryland) that are each uniquely different laws. Twenty six additional States are also considering e-waste legislation. This patchwork of State regulation and limited industry involvement is not sufficient to address the expected growth in e-waste and it could put some United States manufacturers at a disadvantage if they have to comply with multiple State regulations.

Please describe any steps that the EPA is taking to promote and facilitate inter-State cooperation and inter-State compacts, pursuant to RCRA Section 1005, to address the e-waste problem?

Response. EPA is supporting experimentation with Regional third party organizations. EPA is also looking into how it may assist States in the development of inter-State cooperation to assist in implementing multi-State solutions on e-waste. The Agency is also looking for examples of inter-State compacts and other arrangements for inter-State cooperation supported by EPA in the past. Section 1005 of RCRA explicitly recognizes that States may wish to work together to carry out solid waste management functions envisioned under RCRA by way of inter-State Agencies or compacts.

HIGH PRODUCTION VOLUME (HPV) PROGRAM RESOURCES

Question 16. The Center for Disease Control has detected over a hundred industrial chemicals in our bodies, many of which lack basic health and safety data. The chemical industry has voluntarily stepped up to this challenge and spent millions of dollars to generate this essential information for High Production Volume chemicals produced over one million pounds per year. Last year, EPA committed to use this data to complete an in-depth review of the chemicals of greatest concern within 2 years.

Now, the President proposes a $2.2 million dollar cut in funding of this program, which raises two questions:

(a) First, if the President's budget is enacted, will EPA have adequate resources to meet its commitment?

(b) Second, given the limitations of our toxics law, what steps does EPA envision taking after reviewing the data to address potential health risks posed by the chemicals of greatest concern?

Response. Yes, the enactment of the President's budget for FY 2007 will provide EPA with adequate resources for the HPV Challenge Program. The FY 2007 HPV

budget request has been reduced by $2.2 million for FY 2007 because Congress appropriated an additional $2 million to the HPV program in the FY 2006 Enacted Budget beyond what had been requested in the FY 2006 President's Budget request. The $2.2 million decrease will return the HPV program to its previously planned pace for reviewing and making basic screening level hazard data obtained through the HPV Challenge Program available to the public. The pace for those two activities was accelerated in FY 2006 in response to the increased appropriation. If EPA determines that there are concerns associated with any of these chemicals it will take appropriate actions to mitigate the risk.

EXISTING CHEMICAL PROGRAM QUESTION

Question 17. According to a GAO report on chemicals issued last year, EPA has reviewed fewer than 200 of the 62,000 chemicals in commerce when EPA began reviewing chemicals under the Toxic Substances Control Act (TSCA) in 1979. Why?

Response. The TSCA Inventory contains approximately 82,000 chemicals:

- Over 18,000 of these chemicals have been reviewed through the New Chemicals Pre-manufacture Notice (PMN) Program.
- About 32,000 are polymers which, because of their size (e.g., high molecular weight), are less likely to be absorbed following exposure and, because of other characteristics, are generally considered less likely to present significant risk concerns.
- An additional 34,000 substances are low volume, non-polymers produced below 10,000 pounds/year.
- The remaining approximately 15,000 chemicals on the Inventory are identifiable as non-polymeric organic and inorganic substances produced/imported annually at levels of 10,000 pounds or more. Of these:
  - 2,800 are High Production Volume (HPV) chemicals (manufactured/ imported at levels of one million pounds or more per year) that EPA has targeted under the HPV Challenge Program. Launched in 1998, this program has resulted in companies and consortia agreeing to sponsor data development on over 2,200 chemicals. Currently, OPPT is focusing on the review of data packages submitted through the HPV Challenge Program and developing a searchable database that will assist in our efforts to make basic screening level data available to the public and facilitate EPA's review of the data.
  - Under the Voluntary Children's Chemical Evaluation Program (VCCEP), EPA is assessing 20 chemicals that are of concern based on their potential risk to children.
  - Assessments have also been conducted in support of Significant New Use Rules (SNURs) on individual chemicals and several classes of chemicals including perfluorooctyl sulfonates (PFOS) (88 chemicals), and polybrominated diphenylethers (PBDEs) (approximately 6 chemicals), benzidine-based dyes (24 chemicals).
  - Assessments have also been conducted for 13 chemicals in support of Enforceable Consent Agreements (ECAs).

ACCURACY OF PREDICTIVE MODELS

Question 18. According to a GAO report issued last year, the models used by EPA to predict potential exposure levels and toxicity of new chemicals are "not always accurate in predicting physical chemical properties." GAO cited to a 2001 study by PPG Industries finding an error for about 25 percent of the cases in which the models' results were compared with actual test data. What steps is EPA taking to better validate and improve the predictive capabilities of these models?

Response. There are two separate issues in this question. The first issue deals with accuracy of EPA's physical-chemical properties assessment model (EPISuite) for new chemicals and EPA's progress in improving the models' predictability. The second issue deals with model (ECOSAR) to predict toxicity of new chemicals, a study by PPG Industries that compared actual test data with this model's estimation and what EPA has done to resolve differences.

EPISuite

The EPISuite model is currently going through a scientific peer review by EPA's Science Advisory Board (SAB). The review panel, which consists of subject experts from academia, nongovernmental organizations, industry, and Government, is specifically charged to provide advice on questions such as how accurate the model's various modules are, what other measured data could be used in future EPISuite upgrades, how convenient the software is to use and the accuracy of EPISuite's estimation methods. EPA is also interested in the SAB's view on uncertainty analysis

and how the estimates can be conveyed to the users. Based on the outcome of the SAB review, EPA will take the necessary actions to address issues or concerns.

ECOSAR

EPA predicts the aquatic toxicity of all new chemicals notified under TSCA Section 5 (e.g., PMN submissions), currently averaging about 1,500 per year. About five percent of these new chemicals are actually tested for aquatic toxicity. These measured toxicity values are evaluated for accuracy. If accurate, then measured effect concentrations are compared with predicted effect concentrations. If the measured and predicted effect concentrations are within 10 times of one another, then the measured test data are added to the model used to predict the effect concentration. If the predicted and measured concentrations are significantly different (i.e., more than 10 times of one another), then the chemical structural component responsible for the difference in toxicity is identified and a new model is developed for that structural component. This is a continuous process at EPA that has been in place since the mid-1980s. EPA believes that the PPG study was problematic. The test was not conducted according to Agency test protocols and therefore the comparisons in the validation study are inappropriate.

ENERGY BILL QUESTION

Question 19. EPA's supplemental material emphasizes $11 million dollars that will be used to implement Title 15 of the Energy Policy Act of 2005, the new energy law we passed last year. Title 15 is but one of many direct requirements EPA has in this new law, and EPA has other work to do in consultation with other federal agencies, such as the Department of Energy. Will you provide for the Committee a list of your EPACT requirements and the proposed FY 2007 funds that are budgeted to meet those requirements?

Reponse. The following list displays Energy Policy Act (EPAct) provisions that are expected to affect EPA in 2007. The President's budget request highlights funding specifically directed for the highest priority EPAct provisions expected require attention in FY 2007 as follows: $11.8 million in contract dollar support for establishment of a renewable fuels standard and reporting and assessment requirements; $49.5 million for Diesel Emission Reduction grants authorized under Title 7, Subtitle G of EPAct; $1.1 million for enforcement activities by the Office of Enforcement and Compliance Assurance; and an increase of $25.8 million over 2006 levels for grants to States for additional underground storage tank program requirements such as delivery prohibitions, mandatory inspections, and owner operator training. Additionally, EPA will engage in consultations on an on-going basis, as required by the EPAct. Other activities will be addressed over time in a cost-effective manner. Some EPAct requirements will be addressed in FY 2006 and EPA is in the process of reviewing and prioritizing EPAct requirements that could have impacts beyond FY 2007.

Renewable Fuel Standard and Credit Program: Title 15
Diesel Emission Reduction Grants: Title 7, Subtitle G
Other Studies, Reports, and Assessments: Titles 7 and 15
Office of Enforcement and Compliance Assurance: Title 15
Underground Storage Tank Compliance Act: Title 15

NANOSCALE MATERIALS

Question 20. The National Science Foundation recently predicted that the global market for products using nanotechnology could reach $1 trillion within a decade. An EPA advisory committee recommended that the Agency initiate a comprehensive voluntary information-gathering program on the full range of materials now being made and in the pipeline, their potential applications, and available health and exposure information. The advisory committee also recommended that EPA prepare regulations in case the voluntary program fails to provide adequate information. Does EPA intend to follow both of these recommendations and, if so, in what time frame?

Response. The Agency is carefully considering these recommendations, along with considerable stakeholder input, as it proceeds with reviewing the need for a stewardship program. Should a stewardship program be implemented, the Agency would evaluate it before determining its regulatory implications.

CLEAN WATER ACT

Question 21. Second, in the FY 2004 budget, you first cut Clean Water funding in half from about $1.35B to $850M. At that time, the President's budget stated that you would need $850M per year to reach a revolving level of $3.4 billion. You also

pledged annual grants of 850M from 2011 through 2018. The next year, you again requested $850M and stated that you would need $850M per year to reach the revolving level of $3.4 billion. Last year, in FY 2006, you requested only $730M, and this year you've requested only 688M to reach the goal of $3.4 billion.

(a) What changed?

(b) How can you meet even your low target for revolving at $3.4 billion with an investment this year of only $688M?

Response. In the 2004 Budget, the President proposed funding the Clean Water SRF at $850 million annually for 2004-2011, for $6.8 billion in total funding and a $3.4 billion target revolving level. Due to significant additional funds appropriated in 2004-2006, the FY 2007 funding recommendation reduces annual funding for the Clean Water SRF to $688 million for 2007-2011 and continues the Administration's long term revolving level and total capitalization commitments.

PERFORMANCE TRACK-NONCOMPLIANCE

Question 22. How much did the EPA spend in FY 2005, per facility, to enforce environmental requirements against facilities that are in significant noncompliance?

Response. EPA currently does not track the resources associated with returning a specific facility to compliance. The level of resources expended to resolve particular violation depends upon a range of factors, including (1) whether the violation warrants EPA's initiation of an administrative enforcement action or a referral to the Department of Justice for the commencement of a civil judicial case; (2) the complexity of the violations and the nature and extent of evidence needed to prove the violation; (3) the complexity of the injunctive relief necessary to bring the violating entity into compliance; (4) whether the enforcement action/case can be resolved via settlement or must be litigated at the administrative and/or judicial levels; and (5) the length of time needed to resolve the violation. Because of the number of enforcement actions taken by EPA each year, coupled with the range of factors influencing the amount of resources that may be expended to resolve any particular violation, EPA does not track the costs of individual enforcement actions.

PERFORMANCE TRACK-COMPLIANCE HISTORY

Question 23. What is the compliance history of current Performance Track members?

Response. One standard for entry into Performance Track and continuation is that a facility demonstrates a "sustained record of compliance" with environmental requirements at all levels of government. The compliance record of each facility is screened carefully before a decision on acceptance or renewal is made. EPA uses specific screening criteria that allow a facility to be admitted to the program if it has not had more than 2 significant noncompliances in the past 3 years, a criminal conviction in the past 5 years, and does not otherwise indicate a pattern of non-compliance. These criteria were jointly developed with EPA's Office of Enforcement and Compliance Assurance.

Thus, facilities can be and are admitted into the Performance Track Program that have had some violations. This reflects the reality that many Performance Track applicants are large, complex manufacturing facilities. Some face literally thousands of compliance checkpoints on a regular basis. Experience has shown that no matter how diligent the facility, and how comprehensive its management systems, violations do occur. The screening criteria apply a common-sense approach that takes this reality into account. If a facility is found to have committed a violation that is serious or demonstrates a pattern of non-compliance and causes EPA or a State to doubt its ability to meet this compliance standard, that facility may be removed from the program.

In response to the question, staff performed a quick search of the ECHO (Environmental Compliance History Online) database, which is accessible online at: *www.epa.gov/echo*. The data provided below must be used carefully given the following caveats:

1. Some of these violations may have occurred at the facility prior to their entry into the Performance Track program (and, as described above, facilities are allowed to have some violations and still be admitted to the program).

2. As is often the case with any large database, there are some data quality issues associated with these numbers, due to time constraints, a quality control check was not performed on this response. For example, data entry problems could cause overcounting and/or undercounting certain violations.

3. Again, it is important to note that Performance Track member standards allow for a certain minimal number of violations at a facility, given the reality of trying

to maintain a perfect compliance record at facilities facing many regulatory requirements.

4. Since the compliance status of any particular facility is a constantly evolving situation, the figures below represent a "snapshot" of compliance at a particular moment in time.

Results of an ECHO database search performed on February 23, 2006:

• Clean Air Act: Facilities with at least one quarter in violation within the last 3 years = 38 (9 percent of the 406 current members)

• Clean Water Act: Facilities with any effluent violation within the last 3 years = 40 (10 percent of the 406 current members)

• Resource Conservation and Recovery Act: Facilities with any violation = 57 (14 percent of the 406 current members)

PERFORMANCE TRACK-PROGRAM CRITERIA

Question 24. What happens to Performance Track members that fail to meet program criteria and/or violate environmental laws?

Response. They may be removed from the program, depending on the severity of the issue. To date, Performance Track has removed a total of 49 facilities from the program: 34 facilities during their membership (22 for reasons related to deficient Environmental Management Systems and 12 for failing to submit Annual Performance Reports); an additional 15 facilities were not accepted during renewal (8 for non-compliance, 4 for insufficient environmental commitments, 1 due to a deficient Environmental Management System, and 2 for other reasons).

The standard for entry into Performance Track and continuation is that a facility demonstrates a "sustained record of compliance" with environmental requirements at all levels of government. This definition is based on a standard that EPA's Office of Policy, Economics, and Innovation and Office of Enforcement and Compliance Assurance developed for EPA voluntary programs and were made more stringent for use in the Performance Track program. It is possible for a facility to be the subject of an enforcement action and still qualify for the program, especially if the action is relatively minor and was corrected responsibly.

Many Performance Track members are large, complex manufacturing facilities. Some face literally thousands of compliance checkpoints on a regular basis. Experience has shown that no matter how diligent the facility, and how comprehensive its management systems, violations do occur. The screening criteria apply a commonsense approach that takes this reality into account.

The compliance record of each facility is screened carefully before a decision on acceptance or renewal is made. EPA consults its own databases, then with enforcement staff in the regions and in each State, as well as the Department of Justice.

Only when these parties all agree is the facility accepted or renewed. EPA's Office of Enforcement and Compliance Assurance and the State Agency have concurred in all decisions regarding the acceptance and renewal of members.

Should a facility violate an environmental regulation, we examine the exact nature of the violation. If a facility is found to have committed a violation that is serious and causes EPA or a State to doubt its ability to meet our compliance standard, that facility is removed from the program.

Members of this program have made significant commitments and shown results on a wide range of environmental indicators that go well beyond meeting their compliance obligations. They are demonstrating the potential for achieving measurable results in reducing air and water releases, conserving energy and water, reducing materials use, protecting habitat, and designing more environmentally beneficial products, among others. These are significant accomplishments and should be recognized and encouraged, as should the overall very strong compliance records of Performance Track members.

More specific information on significant non-compliance can be found at: http://www.epa.gov/performancetrack/program/sustain.htm.

SRF QUESTION

Question 25. The President's 2007 budget proposal cuts the funding for clean water infrastructure by $199 million. This is in spite of the fact that EPA's own reports show at least $300 billion gap in water infrastructure needs.

(a) Given the proposed cuts and the need, how does the Agency justify a long-term capitalization target of only $6.8 billion for the Clean Water SRF?

(b) In addition, who came up with the $3.4 billion revolving level target and on what basis was that decision based?

Response. In FY 2004, the President's Budget presented a long-term plan to address national water infrastructure needs, which included an extension of Federal funding of the CWSRF until 2011.

The President's funding plan for the CWSRF assumes that a mix of continued Federal funding, 3 percent real revenue growth for systems, and implementation of system efficiencies that reduce the demand for wastewater infrastructure will help close the gap between current capital funding levels and future infrastructure needs. The CWSRF is one tool to address infrastructure financing. In addition to funding infrastructure projects, closing the gap and achieving sustainable systems requires Federal, State, and local actions and innovations to reduce the demand for infrastructure. Through a Sustainable Infrastructure Strategy, the Agency is working in collaboration with many different stakeholders to ensure that the federal investment results in sustainable wastewater systems. This Strategy aims to identify and promote new and better ways of doing business by focusing our efforts on:

- Promoting adoption of sustainable management practices by utilities to achieve long-term environmental/health, economic, and social outcomes;
- Producing water efficient products and creating a National ethic of water efficiency;
- Promoting full cost pricing of water and wastewater services; and
- Using watershed approaches to help utilities and others make cost effective infrastructure decisions that help meet overall watershed goals.

In the FY 2004 Budget, the President proposed $6.8 billion in total capitalization funding from 2004-2011 for the Clean Water SRF. This capitalization level, along with expectations about future CWSRF performance and improved operating efficiencies, would allow the fund to reach a long term revolving level of $3.4 billion annually. The FY 2007 CWSRF funding recommendation was based on the Administration's continued commitment to capitalize the program such that it reaches a $3.4 billion target revolving level. The $3.4 billion target revolving level is consistent with expected continued high-performance levels for the CWSRF. The CWSRF has been one of the most successful and cost-effective infrastructure financing programs in the federal government's history. The Agency has provided more than $23 billion through FY 2005 to capitalize the CWSRF, nearly triple the original CWA authorized level of $8.4 billion. This Federal investment, when combined with State contributions and other funding sources, has allowed the CWSRF to support nearly $53 billion in important water quality projects.

HIGH PRODUCTION VOLUME (HPV) PROGRAM RESOURCES

Question 26. The Center for Disease Control has detected over a hundred industrial chemicals in our bodies, many of which lack basic health and safety data. The chemical industry has voluntarily stepped up to this challenge and spent millions of dollars to generate this essential information for High Production Volume chemicals produced over one million pounds per year. Last year, EPA committed to use this data to complete an in-depth review of the chemicals of greatest concern within two years.

Now, the President proposes a $2.2 million dollar cut in funding of this program, which raises two questions:

(a) First, if the President's budget is enacted, will EPA have adequate resources to meet its commitment?

(b) Second, given the limitations of our toxics law, what steps does EPA envision taking after reviewing the data to address potential health risks posed by the chemicals of greatest concern?

Response. Yes, the enactment of the President's budget for FY 2007 will provide EPA with adequate resources for the HPV Challenge Program. The FY 2007 HPV budget request has been reduced by $2.2 million for FY 2007 because Congress appropriated an additional $2 million to the HPV program in the FY 2006 Enacted Budget beyond what had been requested in the FY 2006 President's Budget request. The $2.2 million decrease will return the HPV program to its previously planned pace for reviewing and making basic screening level hazard data obtained through the HPV Challenge Program available to the public. The pace for those two activities was accelerated in FY 2006 in response to the increased appropriation. If EPA determines that there are concerns associated with any of these chemicals it will take appropriate actions to mitigate the risk.

PERFLUOROOCTANOIC ACID (PFOA)

Question 27. Last month, EPA challenged chemical manufacturers to essentially eliminate releases of PFOA, a chemical used during the production of Teflon. PFOA

was just classified as a "likely carcinogen" in a draft report by EPA's Science Advisory Report and has been linked to liver cancer, reduced birth weight, and developmental problems in laboratory animals. Researchers at Johns Hopkins Hospital revealed last week that 99 percent of babies were born with trace levels of this industrial chemical.

(a) Since PFOA has been widely used in commerce since TSCA was enacted, why has it taken EPA thirty years to evaluate it?

(b) Are the statutory limitations of TSCA one reason why EPA issued a voluntary challenge for industry to phase out PFOA instead of initiating a mandatory phase-out by rulemaking?

Response. The data on PFOA that EPA have today were not available thirty years ago. The science and technology necessary to detect, analyze, and study PFOA reliably and accurately have advanced significantly in recent years. This led to the development of new data that indicated the widespread presence of PFOA in humans and the environment, as well as an unanticipated potential for bioaccumulation and demonstrated toxicity in animal studies. These new data, taken together, formed the basis for the Agency's current concern. The questions raised about this class of chemicals by the Agency beginning in 2000 triggered additional research, which continues to inform the ongoing hazard, exposure, and risk assessment process. Included in this are EPA-requested efforts by the National Toxicology Program to conduct a class study and by the Centers for Disease Control and Prevention to develop human biomonitoring data.

Although information on human health risks is not yet complete, PFOA is known to be extremely persistent in the environment and is also bioaccumulative, with a half-life in the human body that is measured in years. Studies have found PFOA in the blood of the general United States population, as well as in wildlife in even the most remote regions of the planet. The persistence and bioaccumulative potential of PFOA, when combined with its toxicity in animal studies and its already pervasive presence in humans and the environment, warrants concern, as evidenced by the Agency's multi-year effort to assess risks and improve the understanding of sources and pathways of exposure. Specifically, with regard to the PFOA Stewardship Program, this is an effort to substantially reduce PFOA emissions at the same time that additional data collection efforts are underway to further define the human health risks. Limiting exposures at least to current levels by asking companies voluntarily to reduce future emissions and releases is a reasonable step to take under these circumstances.

The provisions of TSCA provide sufficient regulatory authorities to address these chemicals. However, rulemaking under TSCA would be premature at this time because the Agency's risk assessment process is still ongoing, and scientific conclusions are an essential element in the regulatory process. The degree of risk to human health that may be presented by current exposures to PFOA has not yet been determined. The sources of PFOA in the environment and the pathways leading to human and environmental exposures are not yet understood, making it difficult to identify appropriate specific measures to reduce risk. Studies are underway to help answer these questions, but those studies will take time to complete. However, the Agency is not waiting until all the questions are answered.

In January, EPA invited the companies that manufacture and use PFOA to commit to acting to decrease any potential risk without waiting for final resolution of these complex issues by issuing a broad stewardship invitation to reduce PFOA emission sources and exposure routes on a voluntary basis. As this stewardship initiative takes effect, EPA will continue its efforts to understand the hazards, sources, pathways of exposure, and risks of PFOA. If this investigation demonstrates that further actions are warranted, including rulemaking under TSCA, EPA will take those actions.

TOXIC SUBSTANCES CONTROL ACT (TSCA) CONFIDENTIAL BUSINESS INFORMATION (CBI) ISSUES

Question 28. According to a GAO report on chemicals issued last year, EPA's ability to share data collected is limited. What steps does EPA intend to test to address these concerns?

Response. EPA's ability to share data is limited by the provisions of TSCA, which bars EPA from releasing information treated as CBI not only to the public but also to other governmental chemical regulators, including foreign Governments, States and local Governments and Tribes, even if these Governments can demonstrate an ability to keep the material secure and confidential.

Please note that CBI claims are in many instances, though not always, confined to new chemical submissions, meaning those submissions on chemicals not yet in

commerce. CBI claims are much more limited for those submissions already in commerce (existing chemicals) and EPA has developed a number of methods to ensure the timely release of non-confidential materials to the public. These methods include making the materials available on websites, databases and data products and also maintaining a public file room where submissions can be viewed and copied.

To address the remaining problem, EPA will initiate a pilot process this calendar year, using existing authorities, to review selected older submissions containing CBI claims. The focus of this effort will be on querying submitters to determine whether CBI claims made at the time of submission remain valid. The pilot results will be used to determine the benefits, burdens and utility of a broader CBI claim review/reassertion program. Based on this review and in light of other regulatory priorities, the Agency will consider whether action is appropriate.

Further, there is a wide perception that some of the information collected through the Toxic Substances Control Act (TSCA) over the last 25 years that was claimed as confidential business information (CBI), by the information submitter at the time of submission, may no longer need to be treated as CBI. In other words, some believe the original information submitters, in many instances, no longer believe that these older materials submitted as CBI are currently business secrets.

As noted in the previous response, CBI claims are much more likely in new chemicals' submissions, meaning submissions on chemicals not yet in commerce at the time the documents were provided to EPA, than in documents relating to substances already in commerce (existing chemicals). Similarly once a substance is in commerce, the company's need for CBI status of the submitted material typically diminishes. One widely recognized point is that while most chemical identities are claimed as CBI at time of section 5 submission, many of these CBI claims for chemical identity are voluntarily dropped by the submitter once the chemical enters commerce and is placed on the TSCA Inventory.

To date, EPA has not considered this point and the possible value of a more systematic periodic review of older CBI claims in new chemical and other TSCA submissions on substances now on the TSCA Inventory. Without a systematic review, EPA may be unnecessarily limiting the amount of information available to share with other government entities and with the public. In addition, EPA may be expending more resources than is necessary for physical and electronic security to track and protect this information. In the pilot, EPA envisions looking at a group of these types of submissions, contacting the information submitters and determining whether information originally claimed as CBI may now be released to the public.

RESPONSES BY STEPHEN L. JOHNSON TO ADDITIONAL QUESTIONS FROM SENATOR OBAMA

EPA'S DRAFT LEAD RENOVATION REGULATIONS: ENFORCEMENT OF FINAL REGULATION

Question 1. I believe that by not promulgating these regulations for 13 years, the EPA sent a message to renovation contractors that this issue is not significant to the Agency. What steps are you planning to take to enforce these regulations once they are final?

Response. It is the Agency's experience that local authorities are better able to develop policy and allocate enforcement resources to address their particular circumstances. EPA is proposing to allow interested States, territories, and Tribes the opportunity to apply for and receive authorization to administer and enforce all of the elements of the new renovation provisions, as it has for most of its existing provisions. EPA would be responsible for enforcing the program in States, territories, and Tribal areas that are not authorized. EPA's own enforcement program will likely initially focus on compliance assistance activities intended to educate contractors and consumers on various elements of the program including its importance and the need to employ lead-safe work practices. The Agency plans to use allocated resources to enforce these requirements in Federally-administered jurisdictions.

WATER SENTINEL PILOT PROGRAM

Question 2. Last year I asked how Chicago could become one of the pilot communities under the Water Sentinel program. I would like to reiterate my interest in this program. Where does Chicago stand in the competition to become a pilot city?

Response. Due to the sensitive nature of the Water Sentinel program, we cannot openly discuss the pilot selection process. We would, however, be able to brief you on the selection process and the potential consideration of Chicago.

ENVIRONMENTAL JUSTICE

Question 3. I am concerned about the lack of funding for the environmental justice program, which appears to signal a lack of interest in helping low-income and minority families. What is the rationale for this lack of funding?

Response. We are requesting sufficient funding in FY 2007 to maintain a vigorous Environmental Justice program. The FY 2007 request for Environmental Justice or for many other programs does not include the FY 06 Congressional earmarks. Therefore, the FY 2007 request does not include the $1.9 million Congress earmarked for the program in FY 2006.

During the past year, EPA has taken several actions reaffirming the Agency's commitment to environmental justice for all people, regardless of race, color, national origin or income.

Some of these actions include:

• On November 4, 2005, EPA's Administrator issued a memorandum reaffirming EPA's commitment to environmental justice "not only protecting human health and the environment for everyone, but also ensuring that all people are treated fairly and are given the opportunity to participate meaningfully in the development, implementation, and enforcement of environmental laws, regulations, and policies." The memorandum directs EPA staff to incorporate environmental justice considerations into its programs, policies, and activities, and into its planning and budget processes.

• On August 16, 2005, the Administrator approved the renewal of the charter for the National Environmental Justice Advisory Council (NEJAC), which provides the EPA Administrator with advice and recommendations with respect to integrating environmental justice into EPA's programs, policies, and day-to-day activities.

• On February 1-2, 2006, EPA convened a NEJAC workgroup to provide

advice and recommendations about the environmental justice issues related to the cleanup and rebuilding of areas affected by Hurricanes Katrina and Rita.

EPA'S DRAFT LEAD RENOVATION REGULATIONS: EXCLUSION OF WOMEN IN PROPOSED RULE

Question 4. One of the triggers for the draft rules is the presence of children aged six or younger in owner-occupied homes. As it is written now, a house with a child one day old is covered, but not a house with a woman 9 months pregnant. Why didn't EPA include houses with pregnant women in the proposed rules?

Response. The proposal specifically requests comment on the appropriateness of applying the provisions of the rule to owner-occupied target housing where an expectant mother resides, in addition to owner-occupied housing where a child under age six resides. See rule language below:

[(Unit IV.B.1.e.) Owner-occupied target housing where a pregnant woman resides. EPA also requests comment on the appropriateness of applying the provisions of this rule to owner-occupied target housing where an expectant mother resides, in addition to owner-occupied housing where a child under age 6 resides. If this option were included in the rule, and no children under age 6 resided in the housing to be renovated, the renovation firm would not be required to use the work practices in this proposal unless the renovation firm collected a statement from the owner-occupant indicating that a woman residing in the housing was pregnant or thought she might be pregnant. Fetuses exposed to lead in the womb may be born prematurely and have lower birth weights. In addition, the transplacental transfer of lead in humans is well documented, and infants are generally born with a lead body burden reflecting that of the mother (Ref. 4). Therefore, covering the residences of pregnant women under this regulation would provide additional protection for vulnerable populations. However, owner-occupants, including expectant mothers, will be receiving a lead hazard information pamphlet under the Pre-Renovation Education Rule that will enable them to make educated choices about renovation activities in their residences.]

The comment period on the proposed rule ends on April 10, 2006. The Agency is seeking broad comment on the proposed rule and will hold five public meetings across the country to ensure that all affected stakeholders have an opportunity to voice their views. The final rule will reflect careful consideration of those comments.

EPA'S DRAFT LEAD RENOVATION REGULATIONS: MOBILITY OF AMERICAN FAMILIES

Question 5. The draft rules assume that families in owner-occupied housing do not move. Thus, a house occupied by a family without young children would not be required to follow lead safe practices during a renovation, even though that family could move soon after the renovation and a family with young children could move

in. Can you explain how the proposed rules account for the mobility of American families?

Response. The proposal specifically requests comment on applying the requirements of this proposal to target housing, regardless of whether children under age 6 reside in the home. See rule language below:

[Mobility (Unit IV.B.2): Finally, EPA considered covering all renovations in target housing without providing an exclusion for target housing where children under age 6 do not reside. A child under age 6 may spend a significant amount of time in housing that is not his or her primary residence, for example, in the home of a babysitter. In addition, a child that moved into housing shortly after a renovation performed without lead-safe work practices took place would be exposed to lead dust from the renovation. This is not the preferred option at this time because the proposed option provides a more focused targeting of resources on the population most at risk. EPA specifically requests comment on applying the requirements of this proposal without the exclusion for target housing where children under age 6 do not reside.]

The comment period on the proposed rule ends on April 10, 2006. The Agency is seeking broad comment on the proposed rule and will hold five public meetings across the country to ensure that all affected stakeholders have an opportunity to voice their views. The final rule will reflect careful consideration of those comments.

RESPONSE BY STEPHEN L. JOHNSON TO ADDITIONAL QUESTIONS FROM SENATOR THUNE

LEAKING UNDERGROUND STORAGE TANK PROGRAM

Question 1. With respect to the Underground Storage Tank Program I am pleased to see the Administration is seeking increased funding for this important program. For my colleagues who might not be familiar, the Leaking Underground Storage Tank Program—commonly referred to as the LUST Program—focuses on the prevention of releases from underground storage tanks.

This program relies on a trust fund that is paid for by a portion of the Federal fuel tax (1/10th of a cent per gallon). Currently, the LUST Trust Fund has a balance of roughly $2.5 billion. During FY 2005, the fund collected $190 million from fuel taxes and an additional $70 million in interest on the balance. However, the Administration and Congress only appropriate roughly $72 million annually.

Last year was a significant year for the LUST program because the House included numerous new LUST provisions in the Energy bill. As a result, new requirements were placed on each of our States who are responsible for storage tank compliance. While it is wonderful to see an overall increase in LUST funding, why isn't the Administration using the significant LUST Trust Fund balance as opposed to using STAG funding to assist States?

Response. Most of the underground storage tank provisions of the new Energy Policy Act of 2005 help to strengthen the underground storage tank (UST) prevention programs (e.g., mandatory inspections, requiring training for UST operators, and prohibiting delivery of fuel to ineligible facilities). EPA has historically provided STAG (State and Tribal Assistance Grant) funding to States for these prevention and enforcement purposes.

A provision in the tax code, enacted after passage of the Energy Policy Act of 2005, would result in no new Leaking Underground Storage Tank (LUST) tax revenue going into the LUST Trust Fund if EPA uses LUST funding to implement the new prevention and enforcement provisions of the Energy Policy Act (or other purposes not originally authorized when the trust fund was established in 1986). In light of this tax provision, the Administration determined that STAG funding is the best source of funding to implement the UST provisions in the Energy Policy Act.

LEAKING UNDERGROUND STORAGE TANK PROGRAM: FUNDING FOR ENERGY BILL'S UST REFORMS

Question 2. Before you answer this question Administrator Johnson, I recognize the constraints that you operate under in light of the prohibition on LUST Trust Fund money being spent on the new requirements that were included in the Energy Bill, such as mandatory and regular inspections, operator training, and delivery prohibitions.

In light of these costly mandates, do you believe that EPA and our States will have the financial resources for FY 2007 to implement the Energy bill's underground storage tank reforms if Congress simply adopts your budget request of flat funding from the LUST fund and a modest increase in the grant program?

Response. Implementing the Energy Policy Act and especially the underground storage tank provisions is a priority for the Administration, and our budget request reflects this. Given the current budget constraints that exist in Federal funding and the competing priorities, we believe that this level of funding is appropriate.

The President's request of $38 million in STAG funding triples what States have been receiving to support their prevention and enforcement activities. EPA believes that this level of funding will put the States in a position to meet the 3-year inspection cycle as well as implementing the other provisions of the Energy Policy Act of 2005.

LEAKING UNDERGROUND STORAGE TANK PROGRAM: STAG VERSUS LUST FUNDING

Question 3. Before you answer this question Administrator Johnson, I recognize the constraints that you operate under in light of the prohibition on LUST Trust Fund money being spent on the new requirements that were included in the Energy Bill, such as mandatory and regular inspections, operator training, and delivery prohibitions.

What would EPA's position be if the transportation bill's prohibitions were cleared up, would STAG funding still be utilized or would LUST Trust Fund dollars be used?

Response. The 2007 Budget was developed considering all relevant statutory authorizations. We developed our proposal based on our careful review. If the statute was amended, we would do what is required by the law.

LEAKING UNDERGROUND STORAGE TANK PROGRAM: TRUST FUND AUTHORIZATION

Question 4. I ask this question because Congress authorized an annual appropriation of $555 million from the Trust Fund. The Administration is asking for approximately 15 percent of that authorization. Was Congress wrong in estimating the resources that are needed to address this problem or is EPA "lowballing" its request because of its tight budgetary constraints?

Response. In requesting an increase of $26 million to assist EPA and States in implementing the underground storage tank provisions of the Energy Policy Act of 2005, the Agency was balancing the budget needs of the other high priority programs within the Agency. This proposed increase is significant since it would triple the amount usually appropriated to States for their underground storage tank prevention and enforcement programs.

STAG FUNDING TO ASSIST STATES

Question 5. Last but not least, the Administration's proposed increase in STAG funding to assist States as they seek to comply with the new underground storage tank requirements, how will the STAG funding be distributed to States and tribes-would the EPA allocate it equally to all States and tribes?

Response. Historically, EPA has given approximately the same amount ($187,000) of STAG funds to every State to support its prevention and enforcement programs. With the additional $26 million, we are considering (in consultation with the States) other factors (e.g., performance, need) in allocating the funds.

GOVERNMENT PAPERWORK ELIMINATION ACT (GPEA)

Question 6. Administrator Johnson, the tracking of hazardous waste from cradle to grave is the largest continuous paperwork burden EPA has placed on industry. The Government Paperwork Elimination Act's (GPEA's) mandates the Federal Agencies to provide electronic options for paper-based transactions by October, 2003. It is over two years after the statutory deadline.

An electronic manifest system could save millions of dollars a year while leaving the risk to develop such a system to the private sector not to mention the benefits that EPA, the States and Congress would realize from such a system. Regulatory changes, and possibly statutory changes are required before an electronic manifest can become a reality. We understand from the Semi-Annual Regulatory Agenda that the regulations authorizing such a system are expected in Spring of 2007 instead of 2006.

Why is this delay occurring? Secondly, what statutory changes are needed to authorize an electronic manifest system that would put the risk of developing such a system on private enterprise?

Response. EPA is moving to develop and promulgate a final rule authorizing an electronic manifest system. In the near future, EPA plans to issue a Supplemental Notice providing additional information and seeking further public comment.

To utilize private sector funding resources, Congress would need to authorize EPA to enter into contracts (or other arrangements) similar to the "share-in-savings" contractual arrangements contained in the E-Government Act of 2002.

RESPONSE BY STEPHEN L. JOHNSON TO ADDITIONAL QUESTIONS FROM SENATOR VITTER

HUMAN HEALTH-SEAFOOD

Question 1. EPA water quality test results came back with little or no threat to human health. So based upon EPA's testing, is there any reason why California should ban Louisiana's oysters; is there any reason why Americans should be concerned about consuming seafood from Louisiana?

Response.

- Prior to Katrina, California had placed a ban on certain Gulf of Mexico shellfish harvested between April and October due to the occurrence of the naturally occurring bacteria Vibrio vulnificus in molluscan shellfish harvested from southern waters during the warm season.
- This ban was not related to Katrina impacts, but rather to illnesses and deaths that occurred in California from 2000 to 2003.
- As a result of Katrina, extensive testing for chemical contaminants and limited pathogens in seafood by Federal and State agencies has been conducted in Katrina-affected waters in Louisiana, Mississippi, and Alabama.
- Preliminary test results do not indicate increased chemical contamination of seafood harvested from Gulf Waters affected by Katrina.
- Testing showed some initial sewage contamination in shellfish beds, and the State of Louisiana checked these beds. Subsequent testing showed that the sewage contamination has stopped.
- Testing will continue within the Katrina-affected areas to assess potential longer term effects from the hurricane.

HURRICANE KATRINA DEBRIS AT OLD GENTILLY LANDFILL

Question 2. Last week, two newspapers in Louisiana reported that a study performed for FEMA identified significant environmental concerns about the Old Gentilly Landfill. Does EPA feel certain that the open dump is in full compliance with all applicable rules and regulation regarding environmental protection and future liability?

Response. EPA has received a number of inquiries regarding the Gentilly Landfill over the past several months. In response, the EPA Regional Office is investigating and considering each inquiry and is consulting with the other State and Federal Agencies operating within the unified command structure for hurricane response. These agencies include the Louisiana Department of Environmental Quality (LDEQ), the Army Corps of Engineers, the U.S. Coast Guard, the Federal Emergency Management Agency, and others.

The Federal and State agencies have undertaken a number of activities in response to the issues raised and information received including:

- EPA, FEMA and LDEQ experts are reviewing the February 8, 2006, draft report by the National Infrastructure Support Technical Consultants for FEMA and its underlying documentation regarding landfill design, groundwater monitoring and potential air emissions.
- State and Federal Government experts are also reviewing the questions raised in this report regarding possible impacts on levees.
- EPA and LDEQ officials are making regular visits to Gentilly and other landfills receiving Hurricane Katrina debris to observe operations.

EPA is confident that these reviews will allow the Agency to determine whether additional Federal action is warranted.

RESPONSES BY STEPHEN L. JOHNSON TO ADDITIONAL QUESTIONS FROM SENATOR VOINOVICH

GREAT LAKES: GREAT LAKES RESTORATION

Question 1. What is EPA doing to ensure that we are efficiently using the money that we do we spend on the Great Lakes to make restoration of the Great Lakes a reality? What decisions did you make in putting together the FY 2007 budget to

improve coordination and implementation of existing programs which benefit the restoration effort?

Response. The Great Lakes Executive Order promotes a collaborative approach in restoring the Great Lakes that will provide efficiency in reaching our goals. The Order established a Great Lakes Interagency Task Force (IATF, or the Task Force) and a Regional Working Group (RWG). The EPA Administrator chairs the Task Force. The IATF meets regularly to carry out the directives of the Order, and the RWG has been meeting weekly via conference call to coordinate Great Lakes programs and projects, to share information pursuant to the Great Lakes, and to carry out other functions as required by this Order.

The Task Force spent a great deal of time and effort in establishing the Great Lakes Regional Collaboration and coordinating Federal participation in the Collaboration. The first year of the Task Force was also spent working on high priority issues needing interagency cooperation such as the Interagency Snakehead Response, the Illinois Sanitary and Ship Canal Dispersal Barrier, implementing the Legacy Act to clean up Areas of Concern, focusing on Lake Erie research priorities, continuing to coordinate with Canadian counterpart agencies, and identifying future areas where interagency coordination would improve the delivery of programs and decisionmaking in the Great Lakes Basin.

Several of these urgent and pressing issues that are being addressed by the Task Force—including the Dispersal Barrier and Legacy Act—were highlighted in the U.S. Ocean Action Plan. These projects, along with more than 130 other interagency initiatives, have been documented in an Interagency Project Matrix that is being updated and used as a tool to promote improved management of Great Lakes programs.

GREAT LAKES: REGIONAL COLLABORATION

Question 2. In December, the Great Lakes Regional Collaboration released its final report which serves as a blueprint for Great Lakes restoration. Beyond the funding for the Legacy Act, how does the President's FY 2007 budget reflect the funding goals established in the Collaboration report?

Response. The Administration proposed approximately $70 million for EPA's Great Lakes activities, an approximately $20 million increase over 2006 enacted. This request funds sediment cleanup at its authorized level. The Federal Great Lakes Interagency Task Force, led by EPA, coordinates Great Lakes programs and projects, shares information pursuant to the Great Lakes, and carries out other functions as required by the Executive Order. The task force recently identified a number of substantive actions the Administration will take in support of Great Lakes restoration. All parties recognize existing economic realities impose limits on what can be accomplished immediately; consequently, the Administration's response to the strategy is focused on what can be accomplished within current budget constraints. Through effective targeting of base programs, and through 48 near-term commitments, EPA and its partners will continue to demonstrate advances in Great Lakes environmental protection.

Based on an Interagency Task Force report to the President, we estimate that each year the Federal Government spends approximately half a billion dollars in the Great Lakes Region on programs that directly benefits water quality.[1] When the President signed the Great Lakes Executive Order in May 2004, it was with the hope that all levels of government would come together to better coordinate Great Lakes activities, policies, and projects in order to address nationally significant environmental and natural resource issues involving the Lakes. The Administration is working with all of our partners to continue to protect the Great Lakes in the coming years, using the Collaboration's strategy as a guide.

This budget for EPA includes essentially full funding of the authorized levels in the Great Lakes Legacy Act for cleanup of the Areas of Concern, approximately $50M. EPA commitments in response to the Strategy include:

- joining with the States and other Federal Government partners in an equally shared effort to develop plans that will restore, enhance, and protect 200,000 acres of wetlands in the Great Lakes
- working with State and local partners to develop a standard to help identify sources of contamination at beaches
- committing $25M to clean up contaminated sediments in Ohio's Ashtabula River

[1]http://www.epa.gov/grtlakes/collaboration/final_rttp_10282005.pdf (page 47 of the report)

• issuing improved policy guidance on managing peak flows at sewage treatment plants to restrict dumping, reduce overflows, and increase pollution prevention efforts.

The Great Lakes effort is larger than just EPA and the Great Lakes States, it also includes:

• through USDA, conducting rapid watershed assessments on critical watershed areas to collect natural resource data, and applying critical conservation on the ground.

• supporting establishment in Chicago of a national Alliance for Water Efficiency, a national clearinghouse and advocate for water efficiency research, evaluation, and education.

• supporting authorization to make permanent the demonstration barrier on the Chicago Sanitary and Ship Canal.

• through the Army Corps of Engineers and EPA, improving and streamlining the general permitting process for wetlands restoration projects in the Great Lakes to advance water quality, habitat protection, and other values.

• a portion of an increase in funding of $1.5M for NOAA's Aquatic Invasive Species Program. (These funds will be spread nationwide, and a portion of this increase is envisioned to support more of the research and activities needed to address the growing issue of invasive species in the Great Lakes.)

• continuing construction of the McCook Reservoir flood damage reduction project by the Army Corps of Engineers that will virtually eliminate the backflows of raw sewage to Lake Michigan, reducing beach closings, and enhancing coastal health

• continued construction by the Army Corps of Engineers of a facility for the safe and effective management of more than 4 million cubic yards of contaminated sediments from the Indiana Harbor navigation channel and adjacent areas

• a portion of an increase for the North American Wetlands Conservation Fund, which will help wetland restoration in the Great Lakes.

DIESEL EMISSIONS REDUCTION ACT

Question 3. The budget provides $50 million for the Diesel Emissions Reduction Act. Please provide a detailed schedule on how EPA intends to implement this program and its associated regulations and guidelines over the next few months. Additionally, how is EPA working to inform States (and other stakeholders) about this program and what they must do to be eligible for funding?

Response. EPA's implementation of the Diesel Emissions Reduction Act (DERA) in 2007 will build upon and be consistent with the 2006 program. The strategy for the grant program will be defined once funds have been appropriated for 2007. EPA will publish a Request for Proposals (RFP) for the grant funding that will reflect Energy Policy Act provisions. EPA will publish this Request for Proposals (RFP) and notify Congress, States, and other interested or eligible entities, of both this funding competition and of the direct State allocations through their respective association's announcements, on EPA's website, announcements on EPA's 10 regional websites, press advisories, and other means.

STATE AND LOCAL AIR QUALITY MANAGEMENT PROGRAM

Question 4. The budget proposes to reduce funding for the State and Local Air Quality Management Program (established under Sections 103 and 105 of the Clean Air Act) by $35 million, which is a 16 percent reduction from the FY2006 enacted level. What is the State and Local Air Quality Management Program?

Response. The reduction comprises three separate elements. First, $17 million is through shifting funding for fine particulate monitoring from 100 percent Federal to grants that require a State match. This shift puts PM monitoring in the same status as all other national ambient air quality standard monitoring. Second, since the majority of the nation has attained carbon monoxide and lead National Ambient Air Quality Standards (NAAQS), most areas are focused on maintaining these standards. This, along with Federal implementation of the Clean Air Interstate rule allows for a $15.5 million reduction. Finally, $2.5 million is reduced to reflect the completion of analyses by Regional Planning Organizations.

The State and Local Air Quality Management Program provides Federal financial assistance in the form of grants to the 50 States, 4 Territories (Puerto Rico, Virgin Islands, Guam and American Somoa) and approximately 60 local agencies to operate their air pollution control programs. Most of the grant funding is used to help support State and local air quality management programs. These State and local programs are responsible for implementing the National Ambient Air Quality Standards (NAAQS), which are set to protect public health from the effects of six common pollutants (ozone, particulate matter, carbon monoxide, sulfur dioxide, nitrogen di-

oxide and lead). These funds help support the programs' efforts to reduce public exposure to air toxics through implementation of technology-based standards and development of community-based programs. This funding is also used for technical analyses and certain types of applied research projects to support the NAAQS and air toxics programs.

STATE AND LOCAL AIR QUALITY MANAGEMENT PROGRAM: FUNDING USED BY STATES AND LOCALITIES

Question 5. The budget proposes to reduce funding for the State and Local Air Quality Management Program (established under Sections 103 and 105 of the Clean Air Act) by $35 million, which is a 16 percent reduction from the FY 2006 enacted level. How is the funding under this Program used by States and localities?

Response. Federal funding provided to the State and local air pollution control agencies are used primarily in two broad categories: planning, developing and implementing State air quality management plans, referred to as Stats Implementation Plans (SIPs); and operating and maintaining ambient air monitoring networks for the six criteria pollutants (ozone, particulate matter, carbon monoxide, sulfur dioxide, nitrogen dioxide and lead). Additionally Federal funds are provided to support regional haze planning activities, acid rain activities, and for projects related to air quality research and development.

SEVEN MILLION DOLLAR REQUEST TO IDENTIFY AND REPAIR LEAKS IN WATER SYSTEMS

The water and wastewater infrastructure is extensive and represents a huge national investment. It includes: 16,000 publicly owned treatment works; 59,000 community water supplies; 600,000 miles of sewer; 1 million miles of drinking water distribution. A large fraction is buried in the ground and is, or will be, in a deteriorated condition. In September 2002, the Agency published The Clean Water and Drinking Water Infrastructure Gap Analysis (EPA-816-R-02-020), also known as the "Gap Analysis" report which identified several issues that raised concern as to the ability of our nation to keep up with the water infrastructure needs in the future.

Deteriorated potable water and wastewater infrastructure makes it difficult to meet Clean Water Act and Safe Drinking Water Act requirements. In addition, it increases the potential for waterborne disease outbreaks, fish kills, loss of biodiversity and habitat, sewer backups and overflows, and flooded basements and loss of service.

The Agency has put forward a $7 million research proposal for FY 2007 that will seek to identify new and innovative approaches for managing the nation's water infrastructure, especially for upgrading and improving the performance of deteriorating wastewater collection systems and drinking water distribution systems.

Wastewater collection systems research will focus on new approaches for inspection and condition assessment; new technologies for repair, rehabilitation and replacement; and innovative techniques for enhancing performance and service life of existing systems.

Drinking water distribution systems research will initially focus on developing new approaches to detect, locate, characterize and repair leaks in distribution systems; and identifying more effective techniques for inspecting and assessing high risk water mains.

EPA will be in partnership with internal and external stakeholders, including; the Office of Water; EPA's National Homeland Security center; water and wastewater utilities; professional organizations, and; the research community.

This new research will seek to reduce the need for new infrastructure construction by developing and evaluating innovative designs and technologies' to optimize system capacity and extend the service life of existing systems; to reduce infrastructure failures and their adverse human health, safety, environmental and economic effects by improving the capability to inspect, assess, and conduct proactive repair and rehabilitation of water and wastewater systems; and to improve the effectiveness and durability of systems.

CMAQ INFORMATION FOR THE METROPOLITAN PLANNING ORGANIZATIONS

EPA issued a draft version of State Implementation Plan (SIP) and conformity retrofit guidance for stakeholder comment in December 2005 that offered two options for using nonroad retrofit reductions to meet transportation conformity requirements. Since then, we have been working with representatives from stake-

holder organizations (AASHTO, AMPO, State and Territorial Air Pollution Program Administrators, and environmental organizations) to resolve issues they have raised. As a result, we are currently redrafting the guidance to better meet their needs. This draft will include a model rule that states could directly incorporate as a SIP revision to allow trading of CMAQ-funded nonroad retrofit reductions for use in conformity determinations. We are also adding detailed information on the steps needed to implement the options in the guidance. We plan to have this guidance available, following stakeholder review, in late spring of 2006.

MERCURY IN FISH

EPA has looked at the UNC report and the conclusions presented by the study authors. EPA has decided to request from the author's additional information and data to conduct a more in-depth review of the data and their analyses.

Based on that in-depth review and a consideration of other studies that are currently underway (including an EPA/FDA survey of the effectiveness of the 2004 advisory and an NAS Institute of Medicine report on balancing seafood risks and nutritional benefits), EPA will work with FDA to evaluate if there is a need for a change in the advisory, or a change in the outreach and communication strategy.

EPA is continually reviewing the latest science and public health policy to determine whether or not changes need to be made to the national mercury advisory or the associated public outreach campaign.

RAT POISONING-COURT ORDER

In 2001, EPA decided that it would not require bittering agents and indicator dyes across the board in all rodenticide products. EPA's decision was based, in part, on the recommendations of a broad stakeholder workgroup convened to evaluate potential actions to reduce rodenticide risks to children, which included representatives from EPA, the Centers for Disease Control (CDC), the U.S. Department of Agriculture (USDA), State officials, the medical community, public interest groups, the pesticide industry, and members of the general public. The decision reflected the public health risks posed by rodents and significant concerns expressed by the public health community and the CDC that requiring all products to contain bittering agents and indicator dyes could hinder the effectiveness of rodenticides to control rodent populations in certain circumstances. In August 2005, the district court issued an order affirming EPA's decision with respect to indicator dyes, but reversing the Agency's decision with respect to bittering agents and remanding that decision to EPA "for further consideration." Following the court's order, and in connection with the Agency's ongoing work on rodenticides, EPA has been pursuing several mitigation strategies to make rodenticide products safer for use around children.

EPA is evaluating the advantages and disadvantages of the possible mitigation approaches, and will consult with its federal partners, including the CDC, before issuing its decision. The Agency anticipates publishing its mitigation decision, along with an assessment of the benefits and impacts of the new safety requirements, for public comment during the fall of 2006. EPA's decision will ensure that rodenticide products are both effective for controlling rodents and safe for use in homes with children. In the interim, EPA is encouraging rodenticide manufacturers to voluntarily implement additional safety precautions to reduce the potential for a child to be exposed. For example, the Agency is encouraging registrants to voluntarily incorporate bittering agents into certain formulations where decreasing the risk of exposure is important. To date, over half of the rodenticide products currently on the market contain a bittering agent.

JOB ANNOUNCEMENT-ENERGY POLICY ACT OF 2005

In January 2006, EPA's Office of Transportation and Air Quality issued a brief informal job description to direct potential candidates to find more information on EPA's website about an Economist position (HQ-OAR-DE-2006-0005). EPA is seeking a qualified economist in order to conduct cost-benefit analysis of voluntary greenhouse gas emission reduction strategies under the authority of the Clean Air Act, Section 103(g). The official job qualifications as announced on EPA's website specify that the incumbent would: (1) collect, analyze, interpret, and publish economic information needed to analyze strategies for reducing greenhouse gas emissions and improving air quality from the transportation sector; (2) use knowledge of economic principles and techniques, applied to conduct economic analysis of trans-

portation policy options, using various economic modeling tools to assess the costs, benefits, sensitivities, and externalities; (3) analyze and interpret the movements of goods, services, labor, and capital (particularly the diffusion of greenhouse gas reduction technologies) across national borders, using economic modeling tools to represent the economic response to greenhouse gas emission reduction policies.

While the formal announcement for this position did not include a requirement for the candidate to be knowledgeable about emissions trading, an informal announcement did contain a reference to emissions trading. This reference was included in the informal announcement because an ideal candidate for this position would be expected to help the Office of Transportation and Air Quality as it designs and analyzes the trading program for renewable fuels that Congress approved in the Energy Policy Act of 2005. Knowledge of emissions trading, particularly the acid rain program, has become essential for any air program economist due to that program's success. That knowledge will be extremely valuable for work on the Renewable Fuel Standard.

A HISTORY OF EPA'S "POLITICIZED SCIENCE" DURING THE CLINTON/BROWNER ERA

The following statements made in the press during the Clinton Presidency:

1. "EPA has had to reverse previous policies found to be scientifically flawed and to amend statistical 'errors' it used to argue for new policies. And it has a habit of punishing those who dare point out its flaws: Two years ago, six EPA scientists lost their jobs after writing a letter to a newspaper saying that EPA regulations 'stand to harm rather than protect public health and the environment.[1]

2. "Major scientific uncertainties and the political and legal constraints of a regulatory agency combine to weaken the scientific basis of decisions made by the U.S. Environmental Protection Agency (EPA). . ."[2]

3. "EPA also should reinstitute and strengthen its internal scientific review processes to ensure transparency, account for scientific uncertainty, and improve the analytical bases for its policy decisions."[3]

4. "Many of EPA's regulatory programs are unscientific and illogical and afford little or no protection to human health or the environment. . . They breed well-deserved cynicism about government's motives."[4]

5. ". . .EPA has become too politicized in its actions, too eager to pursue narrow political goals, and too willing to ignore Congressional intent in making regulatory decisions. Political motives rather than workable policies based on sound science and reliable data seem to be the driving force behind this EPA.[5]

6. "EPA's abuse and misuse of science is no surprise and well known to those who follow the agency closely. . . . Its record on electric utility NOx emissions, long-range transport, and ozone pollution can only be described as shameful."[6]

7. "The National Research Council—the working arm of the National Academy of Sciences—last week published its fourth and final assessment of the way EPA uses and abuses science. The conclusion was a reaffirmation of what a repeated analysis of the agency has found.[7]

8. "At least a dozen former EPA officials who played roles in setting pesticide policy now work as industry consultants. The EPA has become a farm team for the pesticide lobby,' says Mike Casey of the Environmental Working Group, which released a report on the issue."[8]

9. "In a scathing opinion, the court stated, 'EPA publicly committed to a conclusion before research had begun, adjusted scientific procedure and scientific norms to validate the agency's public conclusion, and aggressively utilized authority to disseminate findings to. . . influence public opinion."[9]

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[1] Editorial, "EPA-Clean it up," The Cincinnati Inquirer, 12/26/2000

[2] "Research Gaps, Legalistic Focus Hinder EPA's Use of Science," Resources for the Future, 8/18/1999

[3] Ibid.

[4] Henry I. Miller, "Environmental Protection, In Name Only," The Scientist, 9/18/2000

[5] Allen James, "Politics Play a Plum Part in FQPA," Pest Control, 9/1/2000

[6] "Commentary. Political Science at the EPA," The Electricity Daily, 6/19/2000.

[7] Ibid.

[8] Peter Eisler, "Toughest decisions still to come in pesticide review Congress wanted the rules updated, but politics slowing process," USA Today, 8/30/1999.

[9] J.R. Clark, "EPA Corrupting Science For Political Purposes," Chattanooga Free Press, 10/11/1998.

10. "Science is as politicized in America as it was in the Soviet Union and Nazi Germany. This EPA is a prime example."[10]

11. For years, the Federal Government has known that power plants produce mercury. It knows how technology could be used to reduce that pollution. The Environmental Protection Agency's efforts to regulate the toxic metal have been slowed by industry lobbyists and their allies in Congress. . . .[11]

12. " 'This is by far the most politicized EPA I've seen in my three decades of working in State Governments. . . . It is an agency driven more by sound bites than by sound science.' "[12]

The fact is that Carol Browner, who chaired Environment 2004's efforts to oppose President Bush, is alleged to have used, abused and politically manipulated science during her tenure as EPA Administrator under the Clinton-Gore Administration.

13. "In an effort to elevate EPA's scientific profile, in 1989 the agency had brought on board former National Institutes of Health deputy director William Raub as the senior science advisor. Raub was known to be a smart, savvy, and collegial) scientific administrator. Nonetheless, the EPA staff proceeded to make his life miserable. From the beginning, they ignored him when they could. When they couldn't, they sent him drafts of important documents too late for a meaningful review-often just days before a court-ordered deadline for an agency action. Instead of disciplining those responsible. EPA administrator Browner excluded Raub from her inner circle and finally replaced him in 1995 with a less-threatening lower-level EPA staffer."[13]

14. "Under mounting pressure from environmental groups to ignore the recommendation of the agency's own scientists. Browner last December scrapped a science-based standard for chloroform in drinking water. In 1998, EPA had proposed raising the Maximum Contaminant Level Goal for chloroform in drinking water from zero to 300 parts per billion. This recommendation had resulted from a thorough review by EPA scientists of toxicological data on human exposure to chloroform going back 20 years, and took into account the principle contained in the Agency's draft cancer guidelines that there are thresholds below which toxins are essentially harmless. The recommendation was to become the victim of political sabotage, and the agency instead retained a 'zero tolerance' rule. In April of this year, however, a Federal court rejected EPA's proposed standard, saving that the proposal was contradicted by the agency's own review of the "best available science."[14]

15. NPR's Bob Edwards: "A Federal court earlier this year overturned an Environmental Protection Agency rule regarding a chemical in drinking water. The decision was made after ERA administrator Carol Browner declined to follow the findings of the agency's own scientists' as to what was safe. She sought a more stringent standard."[15]

16. "Here's what the NAS said in its latest review of EPA science, in the context of a 1995 report highly critical of EPA's manipulation of science in the pursuit of politically correct policy: Throughout EPA's history, no official below the level of the administrator has had overall responsibility or authority for the scientific and technical foundations of agency decisions, and administrators of EPA have typically been trained in law, not science.' What the scientists are saving here is that the administrator and her top aides have typically been political hacks."[16]

17. "Apparently, even before its research was completed, the EPA had already written its 'Workplace Policy Guide' on secondhand smoke. But none of the original 11 U.S. studies used in the agency's analysis reported a statistically significant increased risk of lung cancer using accepted scientific levels of confidence. For convenience, the agency not only deviated from standard scientific practice but also from its own risk assessment guidelines in carrying out its analysis."[17]

18. "EPA Administrator Carol Browner—with the enthusiastic backing of her patron, Vice President Al Gore—has molded the EPA into an instrument of environmental zealotry that knows no legal or ethical bounds. Miss Browner's EPA works to silence internal dissent, defy Congress, trample on states and localities, and cover

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[10] Charley Reese, "It's A Shame That Americans Can't Trust Their Own Government," Orlando Sentinel, 6/30/1998.

[11] "Coal-Fired Power Plants Spew Mercury But Avoid Crackdown," Portland Press Herald, 9/29/1997.

[12] Pranay Gupte and Bonner R. Cohen, "Carol Browner, master of mission creep," Forbes, 10/20/1997.

[13] Henry I. Miller, "Environmental Protection, In Name Only," The Scientist, 9/18/2000

[14] Ibid.

[15] "Morning Edition," National Public Radio, 6/27/2000

[16] "Commentary: Political Science at the EPA," The Electricity Daily, 6/19/2000

[17] J.R. Clark, "EPA Corrupting Science For Political Purposes," Chattanooga Free Press, 10/11/1998.

up its own wrongdoing. The EPA stands out as the most lawless-and ruthless-agency in an Administration that specializes in bureaucratic aggrandizement."[18]

OFFICE OF INTERNATIONAL AFFAIRS: GRANTS TO FOREIGN RECIPIENTS

EPA policy gives OIA a review and concurrence role on assistance awards for work conducted abroad, whether awarded to domestic or foreign recipients, prior to forwarding these to the Department of State for their review and concurrence. OIA collaborates with Program Offices as they implement their media-specific international programs; and strongly supports the Agency's efforts, chaired by the Grants Administration Division (GAD), to implement grant policies. Those Offices also consult with GAD to ensure that all Agency policies are followed.

CLEAN AIR ACT PROVISIONS-PARTICULATE MATTER STANDARD

For the final rule on the National Ambient Air Quality Standards for Particulate Matter, which will be issued by September 27, 2006, EPA will be preparing a final Regulatory Impact Assessment (RIA). As part of this RIA, EPA plans to estimate nationwide costs and benefits of illustrative implementation strategies to demonstrate how the Nation might attain-the proposed standards in 2020, along with costs and benefits of partial attainment strategies in 2015. Our benefits assessment will include an analysis of the incremental health benefits, including mortality avoided, in each of these years across the entire Nation.

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BYLINE: By Pranay Gupte and Bonner R. Cohen

HIGHLIGHT

In the Environmental Protection Agency Congress created a monster it can no longer control. With a shrewd politician like Carol Browner running it, the agency just thumbs its nose at the legislators.

BODY

AS THE CENTER OF that enormous rent-seeking organization known as the federal government, Washington, D.C. has evolved its own vocabulary. There is, in bureaucratese, an innocent-sounding but insidious phrase: mission creep. Mark it well: Mission creep explains a lot about how big government grows and grows and grows.

Mission creep is to a taxpayer-supported organization what new markets are to a business organization. It involves a gradual, sometimes authorized, sometimes not, broadening of a bureaucracy's original mission. It is a way to accrete money and power beyond what Congress originally approved when it funded an agency.

Playing mission creep is an old game in Washington. But no one has ever played the game with more skill than Carol M. Browner, Bill Clinton's choice to head the Environmental Protection Agency.

From a modest beginning a quarter-century ago, the agency has grown to employ nearly 20,000 people and control an annual budget of $ 7 billion. But these numbers are a poor measure of the agency's power: Because its regulations have the force of law, the agency can jail people, close factories and override the judgments of local authorities.

In its quest for power and money, the agency has imposed many unnecessary costs on American industry, and ultimately on the American people—costs that do more to satisfy bureaucratic zeal than to clean the air or the water.

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[18] Bonner R. Cohen, "Polluted Agency," National Review, 8/3/1998.

The EPA was established in 1970 by an executive order issued by President Richard M. Nixon. Rachel Carson, a patron saint of the environmental movement, had made a huge impact with her emotional tract, Silent Spring, a few years earlier.

The public was right to be alarmed. Industrialization has imposed hidden costs in the form of polluted air, despoiled streams, unsightly dumps and a general degradation of the landscape. Concerns about pollution could, of course, have been dealt with by existing agencies, but that is not the nature of American politics. Politicians must be seen to be doing something dramatic. Creating new agencies makes favorable waves in the media.

Nixon created a new agency. Pulled together from a hodgepodge of existing federal programs, the EPA never had a congressional charter that would have defined its regulatory activities. It was simply given the task of carrying out the provisions of what, over time, became 13 environmental statutes, each with its own peculiarities and constituencies.

Without perhaps fully comprehending the issues, Nixon made the new EPA the instrument for a tremendous power grab by the federal government. Most environmental problems—chemical spills, groundwater contamination, abandoned dump sites—are purely local in nature. But suddenly they were federal matters. In the name of a greener, cleaner Earth, Washington mightily increased its power to intervene in the daily lives of its citizens. It was a goal so worthy that few people saw the dangers inherent in it. Mission creep had begun.

In 1978 then-EPA administrator Douglas Costle cleverly shifted the focus of the agency. Henceforth the EPA would protect not just the environment but your health. "Costle became determined to convince the public that [the] EPA was first and foremost a public health agency, not a guardian of bugs and bunnies," wrote Mark K. Landry, Marc J. Roberts and Stephen R. Thomas in their book, The Environmental Protection Agency: Asking the Wrong Questions from Nixon to Clinton.

People do care about forests and wildlife, but they care much more about themselves and their families. There is a strong strain of hypochondria in the American people, and nothing grabs our attention faster than an alleged threat to our health. If the alleged threat involves cancer, it is almost guaranteed to make the six o'clock news. Costle shrewdly exploited cancer phobia to expand his agency's reach and to wring money from Congress. He launched the EPA on a cancer hunt, looking for carcinogens in foods and air and water, even in the showers we take.

Carcinogens, of course, abound in nature, ordinary sunlight being one of the most prevalent. So it is with many man-made substances. The exposure to background levels of these carcinogens is so minimal in most cases as to pose no serious threat in the overwhelming majority of cases. Never mind: EPA scientists, following the agency's cancer-risk guidelines, were soon ignoring the age-old admonition that the "dose makes the poison." If it was man-made and carried carcinogens, the EPA would root it out. As one EPA scientist explained it to FORBES: "At EPA, we're not paid not to find risks."

Under the mantra of "one fiber can kill," the EPA in the 1980s mounted a costly and probably self-defeating nationwide effort to rip asbestos out of schools. Simply sealing the substance would have kept the fibers away from kids at a fraction of the cost. But it would not have yielded the same harvest in headlines.

Even more than her predecessors—and possessing much greater resources—Carol Browner presents herself as the great family physician. "There isn't a decision I make on any given day that's not related to the health of the American people," she tells FORBES. Browner, it's worth noting, is a lawyer with no medical training.

After all, she reminds us, she's the mom of a young boy. Attendees of Capitol Hill hearings snicker at her constant references to her son, Zachary, when she testifies on environmental issues. But she never misses a chance to repeat the message. "If we can focus on protecting the children. . . we will be protecting the population at large, which is obviously our job," she tells FORBES

Who said that was her job? Nobody, but that's what mission creep is all about.

Last September Browner announced the release of a new EPA report setting forth a broad national agenda to protect children from environmental risks. She followed up the report with the creation earlier this year of the Office of Children's Health Protection at EPA.

There was no congressional mandate, but Congress meekly went along by failing to challenge the agency's justification of the program. Who would want to face reelection accused of being callous toward children? Especially when the EPA's kept researchers stand by ready to produce scare studies on EPA money (see box, p. 172).

Where most agency chiefs tremble at criticism from Congress, Browner has a platform from which she can counterattack. An EPA-funded newsletter was recently distributed by the National Parents Teachers Association. At the time an internal EPA memo noted: "The PTA could become a major ally for the Agency in preventing Con-

gress from slashing our budget." Thus does Browner's EPA use taxpayer money to fight efforts to trim the Federal budget.

On Mar. 15, 1995 David Lewis, an EPA scientist attached to the agency's laboratory in Athens, GA., was told by his supervisor that EPA employees with connections to members of Congress should use their influence to sway lawmakers against a bill proposed by Representative Clifford Stearns (R-Fla.)—if it could be done "without getting into trouble." Stearns' bill would have reduced funding for EPA. The scientist later said in a deposition: "We were being asked to do this during government business hours, and the purpose was to protect EPA funding levels." This request on the part of high-level EPA officials to lobby Congress on government time is under investigation by the House Government Reform and Oversight Committee.

Had this been a Republican administration and had the department involved been other than the EPA, one can imagine the outcry in the media.

Asked about the growing criticism of her tactics, Browner blatantly ducks the question with: "This isn't about me. It never has been about me. It's about the air being cleaner. Is the water going to be safer? It's about business going to be able to find a better solution to our environmental problems."

It's really about politics. When supportive lawmakers ask to borrow EPA experts for their staffs, the EPA hastens to comply. Requests from liberal Democrats almost always are filled, those from Republicans rarely. A request by Representative Richard Pombo (R-Calif.) for an EPA detailee was rejected on Jan. 2, 1997 on the grounds that "new procedures" were being written. Less than four weeks later (Jan. 28), a similar request from liberal Democrat Representative Charles Rangel of New York was approved, without reference to any "new procedures."

Since 1995 her office has approved all requests for employee details to four Democratic lawmakers—Senator Frank Lautenberg (D-N.J.), Senator John Kerry (D-Mass.), Senator Daniel Patrick Moynihan (D-N.Y.) and Rangel. Of the four GOP requests, three were rejected.

Browner was at her politically impressive best in this summer's debate over the EPA's tougher clean air standards. Because air quality levels have improved markedly since passage of the Clean Air Act amendments of 1990, it was widely hoped—especially in areas that badly need new jobs—that the standards would not be further tightened. The EPA's own data showed that levels of the particulates have dropped dramatically over the past decade. Many local governments, anxious for jobs and economic development, were looking forward to being removed from the list of so-called nonattainment areas for ozone and particulate matter, or PM.

In July the EPA finalized new tighter standards for ozone and PM. For communities that had made expensive efforts to comply with the current law, the higher standards were like a baseball player, having rounded third base and heading toward home, being told he had to circle the bases again to score.

A good many congress people were outraged. Browner's insistence on imposing the new standards in the face of nothing more than scanty scientific evidence unleashed howls of protest from elected officials in the affected communities.

Legally, Browner was probably in the right. In its haste to seem to be attending to the environment, Congress failed to exert control over EPA standards and regulations.

There was nonetheless quite a donnybrook, with veteran Democrat John Dingell of Michigan leading the charge against Browner. A lot of jobs were at stake in Michigan, still headquarters of the U.S. auto industry. Congress, he insisted, should be consulted. Dingell was not alone.

With lots of support from Vice President Al Gore's office, Browner went to work putting down the congressional revolt. Her testimony before Congress was, by general agreement, brilliant, though her facts were often shaky.

Until then, Bill Clinton had remained on the sidelines. But Browner maneuvered the President into a corner, where he faced the politically embarrassing choice of supporting her controversial initiatives or disavowing his outspoken EPA administrator. Clinton then got to the head of the parade by declaring his support for Browner. The game was over. Browner 1, Congress 0.

If EPA's new standards survive congressional and legal challenges, state and local governments will have to devise elaborate State Implementation Plans, or SIPs, detailing their strategies for complying with the agency's latest regulatory diktat. And in accordance with the Clean Air Act, it will be up to the EPA to approve or disapprove the SIPs. The estimated cost of compliance with the new standards for the Chicago area alone is projected to be between $3 billion and $7 billion.

"I wish we never had that fight with Congress," she tells FORBES. "I wish it could have been avoided. I think it came at great expense to the country. I think it was very unfortunate." Note the implication: The way it could have been avoided was for Congress to avoid challenging her.

You can admire Browner's skill and still be appalled by what she is doing. "This is by far the most politicized EPA I've seen in my three decades of working in state governments," says Russell J. Harding, director of Michigan's Department of Environmental Quality. "It is an agency driven more by sound bites than by sound science."

Says Barry McBee, chairman of the Texas Natural Resource Conservation Commission: "EPA continues to embody an outdated attitude that Washington knows best, that only Washington has the capability to protect our environment. States are closer to the people they protect and closer to the resources and can do a better job today."

As a weapon to humble the state regulatory bodies, Carol Browner's EPA has embraced the politically correct concept of "environmental justice." This broadens EPA's mandates even beyond protection of everyone's health.

In early 1993 Browner set up the Office of Environmental Justice within EPA which, among other things, passes out taxpayer-funded grants for studying the effects of industrial pollutants on poorer, mostly black, communities. In 1994 the White House supported this initiative by ordering Federal Agencies to consider the health and environmental effects of their decisions on minority and low-income communities.

That's the rhetoric. The reality is that the Federal Agencies have a new weapon for overruling state agencies. Browner's EPA recently delayed the approval of a $700 million polyvinyl chloride plant to be built by Japanese-owned Shintech in the predominantly black southern Louisiana town of Convent. Louisiana's Department of Environmental Quality had already given the go-ahead; the plant would have created good-paying jobs and opportunities in an area suffering from 60 percent unemployment and low incomes. But the EPA argued that blacks would suffer disproportionately from potentially cancer-causing emissions of the plant in an area already lined with chemical factories of all descriptions.

Louisiana Economic Development Director Kevin Reilly was enraged. "It is demeaning and despicable for these people to play the race card," he says, pointing out that poor people and blacks would have gained economically and were at little health risk. The scientific evidence bears Reilly out: A recent article in the Journal of the Louisiana Medical Society found that cancer incidence in the area is in most cases no higher than nationally.

But never mind the facts: This kind of decision has less to do with science than with power politics. It delivers the message: Don't mess with the EPA. "Carol Browner is the best hardball player in the Clinton Administration," says Steven J. Milloy, executive director of The Advancement of Sound Science Coaliation in Washington, a longtime critic of EPA who acknowledges receiving funding from industry. "She has the 105th Congress completely intimidated by her debating skills and her sheer grasp of facts, however questionable. She eats their lunch."

Like many Clintonites, Browner takes her own good time about responding to congressional requests for EPA documents. When word got out that EPA was developing a series of proposals for reducing U.S. emissions of man-made greenhouse gases, the House Commerce Committee asked for a copy. The EPA ignored the request for two years.

When the proposals were leaked to the committee late last year, it was immediately clear why EPA had stiffed Congress. The document was loaded with proposals for raising taxes to pay for new EPA initiatives. Produced in the agency's Office of Policy, Planning & Evaluation and dated May 31, 1994, EPA's "Climate Change Action" recommends a new 50-cent-per-gallon gasoline tax, with an estimated cost to motorists of $47 billion in the year 2000 alone. Seven other tax increases were recommended: a "greenhouse gas tax," a "carbon tax," a "BTU tax," an "at-the-source ad-valorem tax" on the value of the fuel at the source of extraction, an "end-use ad valorem tax" on the value of the fuel at the point of sale, a "motor fuels tax" on the retail price of gasoline and diesel, an "oil import fee." Also recommended: A new federal fee on vehicle emissions tests of $40 per person to "shift the cost of vehicle inspection from the state to the vehicle owner."

How could they hope to get so many new taxes through a tax-shy Congress? The "Climate Change Action Plan" contains repeated references to how each of the above taxes and fees can be imposed under existing laws. Talk about taxation without representation.

It's not entirely surprising that Browner and her crew think in terms of government-by-edict. Browner's extraordinary power is in many ways a consequence of Congress' delegation of its lawmaking power to the EPA. It has let the agency micromanage environmental activities throughout the nation with little regard for either local wishes or the cost. This negligence has permitted the agency to ignore

scientific data that conflict with agency orthodoxy. The EPA is in many ways becoming a state within the state.

"This is Washington at its worst—out-of-touch bureaucrats churning out red tape with reckless abandon. The EPA hasn't taken into account an ounce of reality," says Representative Fred Upton (R-Mich.), a frequent critic, referring to the new clean air rules.

If science isn't Browner's strong point, political tactics are. Her enemies can only envy the way the EPA uses the courts. An organization such as the Natural Resources Defense Council will go into federal court and sue to force the EPA to do something. The EPA will wink and, after the courts expand its mandate, see to it that big legal fees go to the NRDC.

Mission creep, in short, takes many forms and its practitioners have many ways to plunder the public purse.

For her part. Browner often dismisses as simple male chauvinism any criticism of her hardball tactics. "I think sometimes that it's an issue of men and women," she says, coyly.

Such cute demagoguery aside, there is no doubting Browner's sincerity. She is an environmentalist zealot. She was clearly behind the decision to tighten the clean air standards to what many people regard as unreasonable levels. If not a tree-hugger she is philosophically close to Al Gore and his quasi-religious environmentalism.

After graduating from University of Florida law school, Browner (both of whose parents were college teachers) went to work for a Ralph Nader-affiliated consumer advocate group. There she met her husband, Michael Podhorzer, who still works there.

She learned politics working on Gore's Senate staff, where she rose to be his legislative director before heading back to Florida to head the state environmental commission.

After the EPA, what's next for this tough and aggressive politician? If Al Gore's presidential hopes aren't dashed by the fund-raising scandals, there's a vice presidential slot on the Democratic ticket up for grabs in 2000. A female environmentalist and mother of a young boy would do a lot to bolster Gore's otherwise soggy appeal.

In a statement to FORBES, Gore went so far as to try to claim for Browner some of the credit for the current economic prosperity. "She has helped prove," he declares, "that a healthy environment and a strong economy are inextricably linked."

If not a vice presidential run, what? Could Browner be nominated by the Clinton Administration to be the next head of the United Nations' environment program? Or would the Administration nominate her as the new U.N. Deputy Secretary General? Either position would give Browner instant international visibility, which couldn't hurt her political prospects in Washington.

One way or another, you are going to be hearing a lot more about Carol M. Browner; whenever you do, it's unlikely to be good news for business—and it may not even be good news for the environment.

DEEP ROOTS, DEEPER POCKETS

The Environmental Protection Agency often subsidizes scientists and environmental groups that back the agency's policies.

NEW YORK UNIVERSITY

George Thurston, professor of environmental medicine, gets three-year, $383,000 grant from EPA to study "acidic particulate matter." Tells New York Times "tens of thousands of hospital visits and premature deaths could be prevented by more stringent air quality standards." Says grants do not influence his research.

HARVARD SCHOOL OF PUBLIC HEALTH

Joel Schwartz, epidemiologist, in the Wall Street Journal, attacks the National Association of Manufacturers. Fails to reveal he got three-year, $196,000 EPA grant to study effects of pollution on children or that the School of Public Health received $3 million in EPA grants in 1996.

THE NATURAL RESOURCES DEFENSE COUNCIL

It received more than $1 million from the EPA in 1995. In a curious move, the EPA paid $150,000 in NRDC legal bills for lawsuits that the NRDC brought against the EPA. The suits result in the EPA's mandate on clean air issues and regulatory authority being expanded.

AMERICAN LUNG ASSOCIATION

Cited by the EPA as independent source during agency efforts to toughen pollution standards, the ALA received more than $4 million in grants between 1990 and 1994; in 1995 EPA granted nearly $1 million more. The ALA once sued EPA to issue new rules on pollution; later, EPA financed ALA air-pollution studies

US EPA International Program/ Activity Resources
(Dollars in Thousands)
(Extramural)

Approp	Program Project	Activity Name	FY 2007 Pres Bud	Activity Description
Office of Air and Radiation (OAR)				
EPM	Climate Protection Program	Methane to Markets	$4,000.0	The Methane to Markets Partnership is an action-oriented initiative that will reduce global methane emissions by promoting cost-effective, near-term projects that recover and use methane as a clean energy source. The Partnership is international in focus and will expand collaboration between developed countries, developing countries and countries with economies in transition, together with strong participation from the private sector.
EPM	Climate Protection Program	International Capacity Building	$1,590.3	EPA assists developing countries and countries with economies-in-transition in building their capacity to reduce emissions of greenhouse gases through cost-effective measures.
EPM	Climate Protection Program	Asia-Pacific Partnership	$4,950.0	The United States -- together with Australia, China, India, Japan, and South Korea – announced the Asia Pacific Partnership on Clean Development and Climate on January 12, 2006. Through the Asian-Pacific Partnership, these six governments and the private sector will cooperate on the development, deployment and transfer of cleaner energy efficient technologies to meet energy security, pollution reduction and economic development goals. The Partnership created eight public/private task forces, which focus on cleaner fossil energy, renewable energy and distributed generation, power generation and transmission, aluminum, steel, cement, buildings and appliances, and mining. The Partnership will focus on developing and commercializing cutting-edge technologies capable of effecting substantial reductions in greenhouse gas emissions in these areas.
EPM	Clean Air Allowance Trading Programs	U.S.-Canada Air Quality Agreement Support	$100.0	The U.S. is committed under the U.S.-Canada Air Quality Agreement of 1991 to making reductions in SO2 and NOx emissions.
EPM	Stratospheric Ozone: Multilateral Fund	Montreal Protocol	$13,365.0	Under the Montreal Protocol on Substances that Deplete the Ozone Layer, the U.S. and other developed countries contribute to the Multilateral Fund to support projects and activities that eliminate the production and use of ozone depleting substances (ODS) in developing countries. Currently, the United States and 188 other countries are Parties to the Montreal Protocol.
EPM	Reduce Risk from Indoor Air	Partnership for Clean Indoor Air	$0.0	The United States and other partners announced this initiative at the 2002 World Summit for Sustainable Development in Johannesburg. The goals of the Partnership are to improve the health, livelihood and quality of life of people in developing countries who suffer from exposure to indoor air pollution from household energy use. Activities include: commercialization training to develop long-term local markets; education curriculum development for primary school children; indoor air pollution and household energy monitoring of pilot projects; and support for researchers to present their indoor air pollution findings to international policy makers. Awardees: Winrock, EPA/ORD, Cadmus, Education Curriculum Development, Commericialization training, IAP Monitoring and Indoor Air 2005.
EPM	Radiation: Protection	Int'l Protocol for Monitoring Radioactively Contaminated Scrap Metal for the United Nations Economic Commission for Europe (UNECE)	$50.0	Provide support to the United Nations Economic Commission for Europe on the international protocol for monitoring radioactively contaminated scrap metal.

EPM	Support for Air Quality Management	Capacity Building in China	$270.0	Achieve reductions in air pollution emissions that affect public health and environment and contribute to global transport of ozone, fine particles, mercury and persistent organic pollutions.
EPM	Support for Air Quality Management	Support in PM air quality management	$100.0	The focus in on air quality management of particulate matter
EPM	Support for Air Toxics	Reducing toxic compounds that persist in the environment	$33.0	Achieves reductions and elimination of POPS (toxics compounds like DDT and dioxins that persist and bioaccumulate in the environment) from foreign sources that continue to affect the US environment and health
EPM	Support for Air Quality Management	Borderwork	$0.0	Agreement between the United States of America and the United Mexican States on Cooperation of the Protection and Improvement of the Environment in the Border Area (La Paz Agreement)
EPM	Support for Air Quality Management	Agency FTE at OECD - OAR share	$0.0	Organization for Economic Cooperation and Development position
EPM	Support for Air Quality Management	Cross-boundary transport issues	$0.0	Hemispheric Transport of Air Pollution
S&T	Certification and Compliance Division	Partnership for Clean Fuels and Vehicles	$0.0	The United States and other partners launched the Partnership for Clean Fuels and Vehicles (PCFV) at the 2002 World Summit for Sustainable Development in Johannesburg. The goals of PCFV are to reduce vehicular air pollution in developing countries through the promotion of clean transportation fuels and vehicles. These funds are for projects in China ($185k) and India (~$30k). Projects will consist of retrofit demonstrations, vehicle emissions inventories, fuel and refinery upgrade workshops, training and consultation.
S&T	Certification and Compliance Division	Pacific Rim Collaborative	$0.0	Creation of Pacific Rim Collaborative to facilitate the exchange and collaboration on air quality issues, including technical and maganagerial best practices, control strategies, monitoring, health risk and other topics. Modeling of Beijing vehicle emissions, reviewing scenarios of various levels of fuel sulfur reduction and consequent reduction benefits at various year targets, beginning in 2008.
OAR Subtotal			**$24,458.3**	
Office of Enforcement and Compliance Assurance (OECA)				
EPM	International Capacity Building	International Network for Environmental Compliance & Enforcement (INECE)		FY2005 Recipient: Institute for Governance & Sustainable Development. INECE is a network of government and non-government enforcement and compliance practitioners from more than 150 countries. EPA provides support to INECE for the development of effective enforcement programs in other countries to improve the rule of law and good governance internationally, in order to better control global pollution that can effect the U.S. and provide a level playing field for U.S. companies competing in world trade. INECE's goals are to raise awareness of compliance and enforcement, develop networks for enforcement cooperation, and strengthen capacity to implement and enforce environmental requirements. For more information on INECE visit: www.inece.org.
EPM	Civil Enforcement	INECE	$100.0	
OECA Subtotal			**$100.0**	
Office of Pollution Prevention and Toxic Substances (OPPTS)				
EPM	Toxic Substances: Chemical Risk Review and Reduction	Test Guidelines Harmonization	$78.5	This activity allows the U.S. to contribute to and take advantage of harmonized test guidelines among OECD member countries and industry stakeholders avoiding duplication of effort and saving upwards of $11 million annually. Scientists participate to develop protocols for studies to assess physiochemical properties, environmental fate, exotoxicity, and health toxicity endpoints. The Agency is also updating its master list so that users can access the most current guidelines.

EPM	Toxic Substances: Chemical Risk Review and Reduction	Export Notification	$70.4	This activity facilitates Agency implementation of TSCA §12(b). This section requires exporters to notify EPA when they export or intend to export a chemical substance or mixture that is subject to certain actions under TSCA §§4, 5, 6, or 7. TSCA §12(b) also requires EPA to notify importing (receiving) countries of the export or the intended export. The Agency is currently amending its regulations under this section.
OPPTS Subtotal			**$148.9**	
Office of International Affairs (OIA)				
EPM	Climate Protection Program	Climate Protection Program	$0.0	Provide assistance and cooperation with developing countries and economies-in-transition on climate change programs and reduction of greenhouse gases world-wide.
EPM	CEC	CEC	$3,005.6	Commission on Environmental Cooperation (CEC) was created by a side agreement to the North American Free Trade Agreement (NAFTA) with the mission of facilitating cooperation and public participation to conserve and improve the North American environment, in the context of increasing economic, trade and social links among Canada, Mexico, and the United States.
EPM	Environment & Trade	Environment & Trade	$580.9	The Trade Promotion Authority Act of 2002 (TPA) requires environmental reviews of trade agreements and provisions in each agreement to prevent lowering environmental standards or weakening the enforcement of existing laws to attract investment or trade
EPM	International Capacity Building	International Capacity Building	$1,185.6	Program fosters cooperation with foreign countries of strategic interest to the United States, as prescribed in treaties and trade agreements, through capacity building activities, including providing enforcement and compliance training, promoting environmental "good governance," promoting effective enforcement of sound environmental laws and regulations, and promoting positive approaches to trade and environment.
EPM	POPs Implementation	POPs Implementation	$79.1	EPA assists Russia in reducing Russian inventories of POPs pesticides and PCBs. By helping China address dioxins and furans from the cement sector, EPA predicts that these pollutants will be reduced significantly. Also, EPA will help India reduce atmospheric releases of obsolete POPs pesticides.
EPM	US/Mexico Boder	US/Mexico Boder	$2,853.7	Border 2012 Program will develop a bi-national policy to clean up and restore to productive use four abandoned sites contaminated with hazardous waste or materials along the length of the border, in accordance with the laws of each country.
OIA Subtotal			**$7,704.9**	
Office of Research and Development (ORD)				
S&T	Human Health and Ecosystems; Air Toxics; Drinking Water; Pesticides and Toxics	Pan American Health Organization/World Health Organization/IRAC	$50	The EPA cooperative agreement with the International Agency for Research on Cancer (IARC), an entity of the World Health Organization located in Lyon, France, supports the IARC Monograph Programme. The IARC Monographs on the Evaluation of Carcinogenic Risks to Humans are an international consensus approach to carcinogenic hazard identification and constitute the World Health Organization's evolving encyclopedia on environmental causes of human cancer. The IARC Monographs serve to assist national and international authorities throughout the world in making risk assessments and in formulating risk management strategies relating to environmental causation of human cancer.
S&T	Human Health and Ecosystems	Gulf of Mexico Border work - Collaboration on environmental public health programs along the U.S. Mexican border	$0.0	This is the result of a 1983 agreement signed in 1983 to to protect and improve the U.S. and Mexican Border. The work will involve the USEPA and the Public Health Services and will work on planning and action relating to public health problems and issues along the US / Mexico border.

S&T	Drinking Water	Workshop - WHO drinking water desalination	$0.0	Discuss advances in technology & economics
S&T	Drinking Water	Conference - AIDIS	$0.0	Discuss information from speakers
S&T	Drinking Water	Drinking water - water research on global scale	$0.0	This cooperative agreement is with the Global Water Research Coalition (GWRC), which is located in The Netherlands. The GWRC is a formal nonprofit partnership among 12 national water and wastewater research organizations in the world.
S&T	Research: NAAQS	US-German Workshop - Ozone, Particulate Matter	$0.0	Facilitate exchange of information between the United States and Germany on scientific issues in the area of photochemical pollution production and control.
S&T	Research: NAAQS	NARSTO - Emission Inventory Assessment	$0.0	Assessment of Emission Inventories across Canada, US, & Mexico
S&T	Research: NAAQS	Ozone Scientist to Scientist Workshop	$0.0	Workshop of European and US scientist on ground-level ozone issues.
S&T	Research: NAAQS	Detroit Exposure and Aerosol Research Study(DEARS)	$300.0	As part of our activities associated with DEARS, we are working with Environment Canada to coordinate a concurrent study in Winsor, Ontario. Both studies are measuring and modeling PM and Air Toxics air pollutants.
S&T	Global Change	Panel meeting to prepare 2005 Progress Report.	$0.0	Sponsor - University of Guelph, Center For Toxicology. The Parties to the Montreal Protocol on Substances that Deplete the Ozone Layter are provided advice by the Assessment Panels: Science, Environmental Effects, and Technology and Economics. EPA's benefit from the coordinated effort of this panl is to keep abreast of the latest developments related to assessments of the interactions of ozone depletion and the environment and to address the major uncertainties in the science.
S&T	Human Health and Ecosystems	NATO Pilot Study	$0.0	NATO Programme Security through Science/Advanced Study Institutes (ASI) with a goal to transfer information and knowledge gained by the NATO Pilot Study Group on Ecosystem Modeling of Coastal Lagoons for Sustainable Management during their 8-year NATO Pilot Study to young international scientists.
S&T	Human Health and Ecosystems	NATO Pilot Study	$0.0	NATO Programme Security through Science/Advanced Study Institutes (ASI) with a goal to transfer information and knowledge gained by the NATO Pilot Study Group on Ecosystem Modeling of Coastal Lagoons for Sustainable Management during their 8-year NATO Pilot.
S&T	Water Quality	Cooperative Agreement with Universidade De Brasilia	$0.0	Assess the effects of land use on the stocks and cycling rates of carbon and nutrient cycling
S&T	Water Quality	Cooperative Agreement with City University of Hong Kong	$0.0	8th International Symposium on Fish Physiology, Toxicology, and Water Quality.
S&T	Pesticides and Toxics	Coop with Bourgas University - Develop alternative methods of toxicity testing for organic chemicals	$0.0	Development of a Metabolic Simulator Computer Program.
S&T	Water Quality	Cooperative agreement - conference support	$0.0	9th International Symposium on Fish Physiology, Toxicology, and Water Quality. Symposium location Capri, Italy.
S&T	Water Quality	Cooperative agreement - conference support	$0.0	Support an International Symposium on Fish Physiology, Toxicology, and Water Quality. Symposium location St. John's, Newfoundland, Canada.
S&T	Global Change	Co-op with WHO on workshops.	$0.0	Vulnerable region: China
S&T	Global Change	MOU - DIVERSITAS	$20.0	an integrative approach to biodiversity science using a common international framework.
S&T	Human Health Risk Assessment	Co-op with WHO - Update/Revision of WHO air quality guidelines	$0.0	Update WHO clean air guidelines for PM and ozone.
S&T	Human Health Risk Assessment	Co-op with WHO - Consice international chemical assessment dcouments	$30.0	Scientific, peer reviewed documents on various chemicals

S&T	Human Health Risk Assessment	Co-op with WHO -Monograph on polycyclic aromatic hydrocarbons	$25.0	Env. Assessment on polycyclic aromatic hydrocarbons
S&T	Human Health Risk Assessment	Co-op with WHO - Harmoninzation/ assessment of risk from exposure to chemicals	$25.0	Harmoninzation/assessment of risk from exposure to chemicals
S&T	Human Health Risk Assessment	Co-op with WHO - Risk evaluation and children's environmental health	$3.0	Risk evaluation and children's environmental health
S&T	Human Health Risk Assessment	Co-op with WHO - Desalination for safe water	$0.0	scalination and drinking water-Egypt
S&T	Human Health Risk Assessment	Co-op with WHO -Endocrine disruptors: Weight of evidence approach	$0.0	Use of the weight of evidence approach and endocrine effects
S&T	Human Health Risk Assessment	Co-op with WHO - Harmoninzation/ assessment of risk from exposure to chemicals		
ORD Subtotal			**$403.0**	
Office of Water (OW)				
EPM	Great Lakes	Lead/coordinate Federal/State env. protection meeting international commitments under GLWQA, monitor/report on environmental conditions, toxics reduction thru pollution prevention and contaminated sediment remediation, protect and restore important habitats, demonstrate prevention and control of Invasive Species, and develop and implement Lakewide Management Plans and Remedial Action Plans.	$13,758.60	GLNPO's program is responsive to both the US Clean Water Act and the bi-national Great Lakes Water Quality Agreement. Grants, Contracts, and interagency agreements have been issued to numerous organizations in support of fulfilling US obligations for protection and restoration of the Great Lakes under the Great Lakes Water Quality Agreement.
STAG	Infrastructure Assistance: Mexico Border	Infrastructure Assistance: Mexican Border	$24,750.00	In cooperation with the Mexican Government, EPA works to evaluate environmental needs and to facilitate the construction of environmental infrastructure through the provision of grant funding for the planning, design, and construction of high priority water and wastewater treatment facilities along the U.S. - Mexico Border. FY 2005 Grantees - NADBank; El Paso, TX; Brownsville, TX; Tribal
OW Subtotal			**$38,508.6**	

Total: **$71,323.7**

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