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**BEFORE THE
U.S. HOUSE COMMITTEE ON ENERGY AND COMMERCE
SUBCOMMITTEE ON ENVIRONMENT AND CLIMATE CHANGE**

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Good morning, Chairman Tonko, Ranking Member Shimkus, and members of the Subcommittee. I am joined by David Bloom, EPA's Acting Chief Financial Officer, and Brittany Bolen, Associate Administrator of EPA's Office of Policy. We are here today to discuss the U.S. Environmental Protection Agency's proposed Fiscal Year (FY) 2021 Budget Request, which supports the goals and objectives in the *FY 2018-FY 2022 EPA Strategic Plan*.

The year 2020 marks the 50th anniversary of the creation of the Environmental Protection Agency. As a country, we have made remarkable strides over that time in ensuring a clean environment for our citizens. The U.S. is a global leader with respect to clean air and access to safe drinking water, and we are cleaning up contaminated lands at the fastest pace in over a decade. In FY 2019, EPA deleted 27 Superfund sites—the largest number of sites deleted from the National Priorities List since FY 2001.

Earlier this month, we released the 2019 Year in Review highlighting Agency accomplishments and environmental progress under President Trump. The report outlined accomplishments from the past fiscal and calendar year such as the finalization of deregulatory actions, which are estimated to save Americans more than \$1.5 billion in regulatory costs, and the signing of a directive to prioritize Agency efforts to reduce animal testing, which will work to eliminate mammal study requests by 2035. I encourage everyone to read the full report to learn more about the strides we have made to protect public health and the environment over the past year.

The Trump Administration is proving that environmental protection and historic economic growth can go hand-in-hand. On the regulatory side, just last month EPA and Army Corps of Engineers finalized the Navigable Waters Protection Rule. This historic rule, decades in the making, delivers on the President's promise to finalize a revised definition for "waters of the United States" that is tethered to the Clean Water Act. The new rule will both protect navigable waters from pollution and foster economic growth by providing much needed certainty to the regulated community about where federal jurisdiction begins and ends.

In FY 2019, EPA issued 18 deregulatory actions and six regulatory actions, exceeding the President's Executive Order 13771 mandating two deregulatory actions for each regulatory action. With an additional 45 deregulatory actions in development, we are projected to save billions more in regulatory costs. But I want to be clear that we are not achieving this at the expense of implementing and enforcing the environmental laws enacted by Congress. In fact, some of this important deregulatory work is modernizing regulations that have been on the books for decades and bringing them up-to-date.

Improving risk communication at EPA is one of my top priorities. Over the past year, we formed a Risk Communication Workgroup, charged with institutionalizing a thoughtful, cohesive approach for how EPA conducts risk communication across the Agency. We also prioritized hiring a career risk communication expert to provide the long-term support and continuity the Agency needs to effectively integrate risk communication into everything we do. Regardless of the type of threat they face, the public deserves to know and understand the risks. I believe this is especially true when it comes to human health and the environment.

The FY 2021 Budget Request provides \$6.6 billion and more than 12,600 FTE to continue the policy direction of past requests by focusing resources on core work, including fulfilling statutory and regulatory obligations. It also advances ongoing deregulatory work to foster environmental protection and economic growth. Our Budget Request includes funding in a number of focus areas that address National and global environmental challenges and advances EPA's *Strategic Plan*. These include reducing lead exposure, taking action on PFAS, addressing critical water issues, including reducing harmful algal blooms (HABs) and ocean pollution, investing in the Nation's

water infrastructure, improving the Nation's recycling system, and reducing food loss and waste.

EPA and our implementing partners have made tremendous progress in providing clean and safe water to our citizens. In the 1970s, more than 40 percent of our Nation's drinking water systems failed to meet even the most basic health standards. Today, over 93 percent of community water systems meet all health-based standards, all the time.

In addition to the safety of our water supply, today we are launching our *National Water Reuse Action Plan*—the first initiative of this magnitude coordinated across our water sector to accelerate water recycling. 80 percent of our states anticipate some freshwater shortages within the next decade, and all levels of government have a responsibility to ensure that Americans have access to reliable sources of clean and safe water. The *Action Plan* is intended to help facilitate adoption of water reuse to support improved water resiliency, sustainability, and security.

However, EPA recognizes that clean and safe water extends beyond the water we consume. In FY 2021, we are proposing a new \$15 million competitive grant program to fund prevention and response efforts for HABs that pose significant health or economic risks to our Nation's waters. In addition, the Budget Request funds geographic programs where EPA has a unique and critical role, including \$320 million for the Great Lakes and \$3.2 million for South Florida. These resources support environmental monitoring, cleanup, and protection. For example, due in part to South Florida funding, greater than 90 percent of homes and business in the Florida Keys are now on advanced wastewater treatment systems and more than 30,000 septic tanks have been eliminated.

The Budget Request includes an additional \$8.4 million with 7 FTE to reduce marine litter. Marine litter is quickly becoming an international issue and one where EPA is well positioned to provide global leadership. Last year at both the G-7 and G-20, I engaged foreign environmental ministers on the importance of working together to tackle marine litter—and in particular, plastic waste—as significant sources of pollution. And just last month I traveled to Brazil where Minister of the Environment Ricardo Salles and I not only discussed solutions to the issue but also helped clean trash at Ponta das Lajes beach in the Amazon. This Budget Request builds on that momentum

through funding for programs like Trash Free Waters, where EPA is helping capture marine litter or prevent it from reaching the ocean in the first place. These efforts are providing critical support to protect and restore our bodies of water, like the Great Lakes.

Our Nation's children are particularly vulnerable to the health impacts of unsafe drinking water, especially lead exposure. Through the *Federal Action Plan to Reduce Childhood Lead Exposures and Associated Health Impacts* and the new, cross-cutting Lead Exposure Reduction Initiative included in the Budget Request, EPA is coordinating with our federal partners to reduce children's exposure to lead. The Lead Exposure Reduction Initiative provides an additional \$45 million to build on current efforts that will help address lead on multiple fronts, driving action to target lead-based paint, lead in drinking water, and lead-contaminated soil, among other sources.

In the efforts to protect children from lead exposure, we are seeing the need for further EPA support. In September 2019, all 50 states and the District of Columbia applied for grants to test for lead in schools, including in the pipes of drinking water fountains. By January 2020, 43 of the grants were awarded, and we anticipate awarding all the grants by April of this year. And our proposed multimedia Healthy Schools Grant Program, not limited only to addressing potential lead exposure, will work in partnership with our state, tribal, and community partners to address potential gaps in school and faith-based education facilities where nearly 50 million children learn, play and grow. This new program is a top priority for the Agency, and we look forward to partnering with Congress to advance this effort.

EPA also is taking regulatory action to combat lead exposure. For the first time in nearly three decades, EPA has proposed a revision to the Lead and Copper Rule to reduce lead exposure in drinking water to better protect children and at-risk communities. The proposed rule will ensure systems have plans in place to rapidly respond by taking actions to reduce elevated levels of lead in drinking water. EPA staff is currently monitoring and mapping the location of the highest-risk lead pipes so we can focus our work on the most impacted areas of the country first. Also, for the first time in nearly two decades, EPA issued new, tighter standards for lead dust in homes and child care facilities to protect children across the country from the harmful effects of lead exposure.

Another priority is to continue working to identify and, if necessary, address potential emerging sources of drinking water contamination. The Budget Request includes additional resources to allow EPA to continue to aggressively implement the *Per- and Polyfluoralkyl substances (PFAS) Action Plan*—EPA’s first multi-media, multi-program, national research, management, and risk communication plan to address this extensive class of emerging chemical of concern. Funding in FY 2021 will enable EPA to continue addressing the ongoing and immediate needs for any additional policy, regulatory, and enforcement actions that may be necessary across multiple statutory authorities, as well as to develop analytical methods, toxicity values, and additional treatment and remediation options that will help states and communities to address PFAS exposures.

Last week, we took another important step in implementing the Agency’s *PFAS Action Plan* by proposing regulatory determinations for PFOA and PFOS in drinking water. These preliminary determinations mark a key milestone in EPA’s extensive efforts under the *PFAS Action Plan* to help communities address these substances nationwide.

Also last week, we proposed regulations to close a loophole that allows imports of products including certain PFAS chemicals that have been phased out in the United States as part of surface coatings. This supplemental proposal would ensure that any new uses are reviewed by EPA before any products with coatings containing these chemicals could be imported into the United States again.

The Budget Request includes approximately \$2 billion to continue to capitalize the two State Revolving Funds (SRFs) to assist our implementing partners in rebuilding aging water infrastructure. As part of our continued commitment to small communities, in FY 2019, 64 percent of total Drinking Water SRF assistance or \$1.83 billion dollars was awarded to communities with populations of fewer than one hundred thousand people. The revolving nature of the Drinking Water and Clean Water SRFs, combined with substantial contributions from our state partners, has greatly expanded the scope of federal investment. EPA estimates for every federal dollar contributed to date, communities have received over three dollars of water infrastructure investments in return.

The Budget Request also includes \$25 million for the Water Infrastructure Finance and Innovation Act (WIFIA) program. This funding, including \$20 million in credit subsidy, could deliver more than \$2 billion in direct credit assistance. When combined with other funding resources, this could spur over \$4 billion in total infrastructure investments.

The WIFIA loan program is also producing tremendous results for the American people. EPA has issued 16 WIFIA loans totaling over \$3.5 billion in credit assistance to help finance over \$8 billion for water infrastructure projects, which can create over 16,000 jobs. WIFIA loans are wide-ranging and have been issued to finance a variety of projects—from a new community drinking water plant in Tennessee, to expanding a groundwater replenishment system in California, to the development of a long-term water supply for Oregon communities that will be built to the highest seismic safety standards for earthquake resiliency. On the wastewater side, many of the projects will reduce the size and number of sanitary sewer overflows into surface waters that occur with storms, advancing efforts to achieve total maximum daily load (TMDL) goals, and reducing nutrient discharges that can contribute to HABs.

While most water systems consistently provide safe and reliable drinking water, many small systems face their own unique challenges. To address these needs, President Trump signed the bipartisan America's Water Infrastructure Act of 2018 (AWIA). In FY 2021, the Budget Request includes \$82 million for grants to continue implementing the mandates included in AWIA that support water system resiliency, technical assistance, remediation for schools with lead in their drinking water, the water workforce, and water infrastructure, including innovative technologies and sewer overflow control. The combined funding of the SRFs, WIFIA loans, Water Infrastructure Improvements for the Nation Act (WIIN) grants, and the new AWIA grant programs will enable the Agency to make significant water infrastructure investments in communities in every state.

Water infrastructure is just one aspect of EPA's infrastructure investment agenda. The cleanup and redevelopment of contaminated lands play a crucial role in revitalizing communities throughout the country. We are in the process of cleaning up some of the Nation's largest, most complex sites and returning them to communities for productive use.

The Budget Request includes over \$1 billion in the Superfund account to continue progress to revitalize lands. When talking about the Superfund program, it is important to remember that annual appropriations are just one source of funding to help facilitate the cleanup and restoration of contaminated lands. In 2019, the Superfund Enforcement Program secured private party commitments for cleanup and cost recovery, ultimately billing more than \$961 million for EPA's oversight of the process.

The Budget Request provides nearly \$130 million for Brownfields work, including no less than \$18 million targeted to support Opportunity Zones established in the historic 2017 tax law under President Trump's leadership. Opportunity Zone redevelopment can spur capital investment in economically distressed areas, leading to diversified economies, improved job opportunities, and restored fiscal health in communities allowing for a greater capacity to solve environmental problems. Leveraging brownfields work in Opportunity Zones can help attract public and private capital to further advance economic, environmental, and public health gains. Of the \$64 million in Brownfields grants awarded in June of 2019, 72 percent of selected communities were within Opportunity Zones, supporting environmental justice for all Americans.

The Budget Request includes \$5.8 million with 5.5 FTE to support work to improve the U.S. recycling system and reduce food loss and waste. Recycling programs conserve resources for the future and protect our land and waters. Managing materials sustainably promotes economic growth and reduces environmental impacts. Food waste reduction programs are needed to help reach the Nation's goal of reducing food loss and waste by 50 percent by 2030. In the U.S., a remarkable 30 to 40 percent of all available food goes uneaten through loss or waste. Discarded food ends up in communities' landfills and produces methane, which is a potent greenhouse gas.

The Agency will continue to advance recycling by providing national leadership and direction on approaches to reduce environmental impacts and increase safe and effective reuse and recycling of materials. These initiatives complement ongoing EPA work in managing materials more sustainably, promoting economic growth, and reducing environmental impacts. Additional resources will be used to conduct a needs assessment of the U.S. recycling industry to inform future work, support grant programs, and encourage the use of recycled materials in manufacturing through a pilot incentive program. One proposed grant program, the Community Recycling Infrastructure and

Capacity Building Grant, will support pilot programs and infrastructure in communities seeking to enhance their capacity to recover and recycle materials.

When it comes to reducing air pollution, we are moving forward with commonsense reforms that will help more areas reach attainment of the National Ambient Air Quality Standards (NAAQS) and comply with visibility obligations. Areas in nonattainment face a variety of challenges. The Agency is working across multiple fronts to bring these areas into attainment, including by improving the efficiency and effectiveness of the State Implementation Plan (SIP) process and working to reduce the SIP backlog. In the past three years, EPA has re-designated 36 areas around the country, moving them into attainment with federal air quality standards and lifting major regulatory burdens off local businesses. In FY 2019, EPA acted on over 360 SIPs, 165 of which were backlogged. And in fact, just last week, the Hillsborough County and the Hillsborough-Polk Areas reached attainment for their 1-hour Sulfur Dioxide (SO₂) NAAQS, putting the entire State of Florida in attainment with all NAAQS standards. This is not only good for the health and wellbeing of residents, but also supports economic growth—both of which are priorities for President Trump.

From 2007 to 2017, NO_x emissions in the U.S. dropped by more than 40 percent. But there is more work to be done. Heavy-duty vehicles are the largest contributor to mobile source emissions of NO_x and is projected to be one of the largest mobile source contributors to ozone in 2025. In January, I signed an Advance Notice of Proposed Rulemaking soliciting pre-proposal comments on a rulemaking effort known as the Cleaner Trucks Initiative. By working closely with states and the private sector, we will reduce NO_x emissions from heavy-duty trucks, which is not required by statute or court order, but will be key in helping remaining nonattainment areas reach attainment.

A top priority in FY 2021 is ensuring that chemicals used in commerce and sold in the marketplace are safe for public use. In furtherance of this goal, EPA continues to meet the major statutory deadlines of the Frank R. Lautenberg Chemical Safety for the 21st Century Act, which amended the Toxic Substances Control Act (TSCA). We have issued rules addressing the prioritization process, risk evaluation process, and TSCA inventory, while also developing a new fees program. More timely access to critical data is essential for our chemical evaluations. With that in mind, the Budget Request

supports TSCA records digitization with \$4 million to support the transition from paper to electronic records as required by the National Archives and Records Administration.

A sign of our progress in ensuring the safety of chemicals, as of today, EPA has released draft risk evaluations for seven of the first 10 chemicals for public comment and peer review. We also identified in December the next 20 high-priority chemicals that EPA will work on, with scoping documents expected this summer.

In terms of risk management, in November 2019, we finalized a ban on retail sales of methylene chloride for consumer paint and coating removal—the first risk management action ever taken under Section 6 of amended TSCA. After analyzing the health impacts and listening to affected families, we took action to protect retail consumers.

EPA is focused on increasing compliance with environmental laws and punishing criminal actors, and we are making significant progress. As a sign of expediting a return to compliance, in FY 2019, we received voluntary disclosures at over 1,900 facilities, which represents more than double the number of disclosures received in FY 2016. The Budget Request supports continuing this progress with funding to support circuit riders that provide on the ground technical assistance to drinking water and wastewater systems that are in chronic non-compliance with drinking water or clean water regulations. Compliance assistance aids smaller and rural public drinking and clean water systems to help them meet water quality standards.

The Agency is also focused on continuing to deter non-compliance by stepping up criminal cases. In FY 2019, EPA provided legal and policy support to environmental crime prosecutions that resulted in a 98 percent conviction rate for criminal defendants. Criminal enforcement showed increases in all tracked categories for the first time since 2011. Those include 170 criminal cases opened and 137 defendants charged. Combined administrative, civil, and criminal fines were among the highest in the last decade at over \$470 million.

EPA has made great progress in Superfund enforcement. In FY 2019, the Superfund Enforcement Program secured commitments to reduce, treat, or eliminate a total of 347.2 million pounds of pollution—the highest in the past four years—as well as commitments for \$961 million in new site cleanup work and payment of EPA oversight

costs. Through the use of Superfund enforcement tools EPA compelled cleanup and promoted redevelopment at over 160 sites.

Finally, within the Agency itself, we are improving how efficiently and effectively we carry out our core responsibilities. In FY 2018, the Agency introduced EPA's Lean Management System (ELMS), and currently over half the Agency is using ELMS in their daily work. EPA is reviewing its own performance internally using more than 800 performance metrics across all our programs and taking timely action when we see an issue. We are already seeing real progress, such as reducing the backlog of new permit applications older than six months by 65 percent by the end of FY 2019. We also are working to modernize our internal systems to help us accomplish our work more efficiently and cost-effectively. For example, EPA is working to develop new contract and grant systems to replace legacy systems and create long-term cost avoidance and the Budget Request includes resources to advance this important effort.

I would like to conclude by noting that as EPA celebrates our 50th anniversary in 2020, it is more important than ever we send the message to the public that when they encounter environmental threats, we will address them head on. And we want the world to know, that when they encounter environmental threats, we are ready to help. This is the type of leadership that gives confidence to the public, certainty to the regulated community, and reassurance to our allies around the globe. This is the type of leadership you can expect from President Trump and our Administration. Thank you for the opportunity to speak with you today. I look forward to answering your questions.