

Opening Statement: Chairman Michael Simpson

FY 2012 Budget Hearing

US Environmental Protection Agency

March 3, 2011 (9:30 am)

Good morning. And welcome to the third hearing—and first *budget* hearing—of the 2012 season for the Subcommittee on Interior, Environment and Related Agencies. I am pleased to kick off the 2012 debate with the Environmental Protection Agency whose programs and funding are of great interest to this Subcommittee.

Administrator Jackson, thank you for being here this morning to testify on your 2012 budget proposal. We find ourselves at a critical juncture as we begin to focus on our work for fiscal year 2012, while we continue to finish the 2011 budget. The overspending has gone on too long, and now it is time to tighten our belts.

Difficult decisions await this Committee. The House took the necessary, first step to move in a fiscally responsible direction on February 19th in passing \$100 billion in discretionary spending reductions. The package included \$4.4 billion in cuts from agencies funded through this Subcommittee, of which \$3 billion came out of the EPA budget.

We did so in large part by reducing the Clean Water and Drinking Water State Revolving Funds (SRFs) by almost \$2 billion in order to return those programs to 2008 funding levels. In 2009, the SRFs received \$6 billion in stimulus funding, equivalent to 5 years of appropriations at the 2008 level. I think we can all agree that a five year infusion of funding in one year is a huge influx for any program to absorb. I raise this, not because I'm opposed to the purpose of the SRFs but as the clearest example in this bill of "too much, too fast" which could be the mantra for the EPA, whether we are talking about spending or regulation.

The House full year CR also cut \$303 million from geographic programs, including \$225 million from the Great Lakes Restoration Initiative. This is another program that had struggled to place funding on projects within a year following a staggering seven-fold increase in 2010. The

CR also cut \$68 million in climate change funding, and targeted reductions to EPA's air, water, and policy offices which continue to develop job-killing regulations.

We also put a halt to EPA's clear attempt to legislate through regulation on a number of policy issues, including greenhouse gases and navigable waterways. It should be up to Congress, not the Administration, to determine whether and how to regulate greenhouse gases. But the litany of overreaching regulations does not stop there.

Jobs in the cement industry are under attack with the Portland Cement rule. The oil and gas industry has been unable to obtain air permits to work in the Outer Continental shelf in Alaska, and Agriculture is under attack as EPA considers whether or not to regulate farm dust. Yes, farm dust.

The coal industry—which is of great importance to Chairman Rogers—is under attack on multiple fronts: whether it's where industry can place mining fill material, whether coal ash may now be labeled as hazardous waste, or whether a company may be able to use existing permits to work in Appalachia and keep mines open. We put a hold on all of these regulations in the House-passed CR in order to relieve the burden on industry and to give our authorizers the opportunity to address these issues in a more comprehensive fashion this year.

EPA's FY2012 budget request provides \$8.973 billion, a 12.9% decrease from the 2010 enacted level. Generally speaking the EPA 2012 budget is balanced on the backs of the States as state grants have been reduced by -22% while EPA operations and research budgets are reduced by only -2 to -4%. In order to reduce spending by \$1.3 billion from current levels, the 2012 budget cuts:

- \$947 million from the Clean Water and Drinking Water State Revolving Funds,
- \$125 million from the Great Lakes Restoration Initiative
- \$70 million from the Superfund program, which cleans up the most toxic hazardous waste sites
- And eliminates \$179 million for earmarks as every Administration does.

This is not the blueprint for reduced federal spending and debt reduction that the American people and congressional Republicans are demanding. In stark contrast, we cut more spending

out of the SRFs in the House-passed full year CR than has been proposed in your entire 2012 budget. The demand for 2012 is simple: spend less and regulate less.

Furthermore, I question the rationale for some of the 2012 proposals, most notably eliminating diesel emissions reductions grants to retrofit old diesel engines while proposing to start new programs to regulate greenhouse gases.

I'm not sure that it makes sense to eliminate a grant program with clear, proven, quantifiable benefits in favor of new programs with no demonstrated benefits. I'm also not sure that it makes sense to eliminate a grant program with broad bipartisan support, and the support from States and industry, in favor of climate change initiatives that you know are dead on arrival in the House. As my good friend and colleague, Mr. Calvert said on the floor during the CR debate, the DERA program is a "win-win". So either the President is either playing politics with his budget or this further illustrates that the EPA is simply out of touch.

We have a number of issues that I know all members are interested in discussing with you today so I will save additional remarks for questions following your testimony. I am pleased to now yield to our distinguished Ranking member, Mr. Moran.

[Moran opening remarks]

Thank you. We are also joined today by our Chairman of the Full Appropriations Committee – Chairman Rogers – and I thank him for taking the time to contribute to this important conversation. Chairman Rogers, would you like to make any opening remarks?

[Rogers opening remarks]

Thank you, Chairman. The Ranking member of the Full Committee, and former Chairman of this Subcommittee, Congressman Dicks, is also here today. I know these issues remain of great interest to him. Mr. Dicks do you have any opening remarks?

[Dicks opening remarks]

Thank you. And thank you again, Administrator Jackson, for coming here to testify this morning. Please share with us what you have proposed for the EPA in 2012.