

Opening Statement
Chairman Mike Simpson
Subcommittee on Interior, Environment and Related Agencies
House Committee on Appropriations
FY 2013 Budget Hearing
US Environmental Protection Agency
February 29, 2012

Good afternoon. And welcome to the fiscal year 2013 budget hearing for the Environmental Protection Agency, the fifth (5th) of sixteen (16) budget hearings planned for the Interior Subcommittee's review of the President's Budget. Administrator Jackson, thank you for being here today to testify on your 2013 budget proposal. I understand you had a budget hearing yesterday and have another tomorrow. Clearly, your budget is of great interest to a number of Committees, no more so than the Appropriations Committee.

When we met last year in this room to discuss your 2012 proposal, I noted that we were at a critical juncture as we had not yet finished our work on the fiscal year 2011 budget. Since then the Appropriations Committee has had a productive year, and passed spending bills for both fiscal year 2011 and 2012. In doing so we reduced discretionary spending in the Interior and Environment bill by over \$3 billion, of which \$1.85 billion came from the EPA budget. This amounts to an 18 percent cut to EPA's budget in one calendar year. While some view these spending reductions as draconian, it is important to remember that these reductions come on the heels of unprecedented and historic increases. Between 2009 and 2010 the Interior bill increased by \$4.6 billion and EPA's budget increased by \$2.65 billion. This was a 35 percent increase in EPA's budget in one year alone. Therefore, even with the targeted reductions to the Agency's budget last year, some would say we have yet to break even.

As you know the level of Federal spending has consumed much of the debate over the past year. There is opportunity for reasoned and rational discussion about the direction our country is headed and what our priorities should be. Budgets prove to be a reflection of priorities and outline a path forward. I am pleased to see the message to reduce spending has been received at the EPA, as the Agency has put forth a budget with reductions from the fiscal year 2012 level.

With a proposed budget of \$8.34 billion, or \$105 million below the fiscal year 2012 level, EPA's budget would decline for the third year in a row. The Agency has never faced a declining budget for three consecutive years. However, if enacted at this level, the budget would still provide EPA with \$700 million above its fiscal year 2009 level, and its 5th highest appropriation ever. I highlight this point to provide context for the discussion we are having here today.

I appreciate that you have targeted several unnecessary or redundant programs for termination, including the Environmental Education program. The FY2012 House bill had similarly proposed to eliminate this program which has outlived its authorization and has difficulty demonstrating results. I hope we can work together to see that proposal to the end.

At the same time, this proposal is not the budget I would write for the EPA. It again shifts funding away from state grant programs and back into the EPA Operating programs for enforcement and regulatory purposes.

The budget proposal includes a \$32.8 million increase for greenhouse gas activities while cutting \$33 million from the cleanup of toxic Superfund sites.

I'm pleased to see an increased commitment to Tribes via a \$28.7 million increase in Tribal General Assistance Program, or "GAP", grants. As you may know, each year our Subcommittee holds public witness hearings on issues pertaining specifically to Indian Country. We routinely hear support for the GAP grants and the SRF grants throughout public witness testimony. I strongly believe in our commitment to work with Tribes in order to improve the health and environmental conditions on Tribal lands. However, in this budget climate it may prove to be a challenge to find a 42 percent increase for this line item. I also have questions I'd like to discuss with you about the ultimate goals for this program. Since these grants were first authorized in 1992, at what point have we built sufficient capacity in Indian country such that Tribes are ready to assume responsibility for their environmental programs?

Further the 2013 budget proposes to reduce the Diesel Emissions grants, otherwise known as DERA grants, by \$15 million. This is one of the few EPA programs that has been reauthorized, and it enjoys broad bi-partisan support.

And I'm disappointed to see funding restored for the Community Action for Renewed Environment, or "CARE" program. We eliminated this program in fiscal year 2012 on a bi-partisan basis as another example of the need to tighten our belts and eliminate nice-to-have programs that lack a statutory mandate.

So again, Administrator Jackson, I look forward to working with you on the details and to keep the lines of communication open.

Finally, I would be remiss if I did not highlight a few of the recent interactions I have had with your staff. Last month I met with Gina McCarthy to discuss the definition of a "small refiner" as it applied to EPA rulemakings. I appreciated her depth of knowledge on the issue and her commitment to explore options to find a resolution. I am aware that EPA held a conference call with several interested parties on February 15th to discuss options for relief and proposed a very reasonable approach moving forward. I appreciate the expediency with which Gina and Lori Stewart worked with industry to identify a common-sense, long-term solution that addresses the majority of stakeholder needs. If only government worked so well on every issue.

In addition, I believe I speak for everyone on both sides of the aisle when I say that our Subcommittee could not do its work without Ed Walsh on your staff. He is a true professional and has a unique window into both of our worlds. What an interesting seat that must be.

And with that, I know all members are interested in discussing various issue with you today so I will save additional remarks for the period following your testimony.

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