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S. HRG. 103-171

THE ENVIRONMENTAL PROTECTION AGENCY'S FISCAL YEAR 1994 BUDGET REQUEST

Y 4. P 96/10: S. HRG. 103-171

The Environmental Protection Agency...

HEARING BEFORE THE COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS UNITED STATES SENATE ONE HUNDRED THIRD CONGRESS

FIRST SESSION

MAY 11, 1993

Printed for the use of the Committee on Environment and Public Works



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THE ENVIRONMENTAL PROTECTION AGENCY'S FISCAL YEAR 1994 BUDGET REQUEST

TUESDAY, MAY 11, 1993

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

The committee met, pursuant to notice, at 10:04 a.m. in room 406, Dirksen Senate Office Building, Hon. Max Baucus [chairman of the committee] presiding.

Present: Senators Baucus, Durenberger, Chafee, Faircloth, Boxer, Metzenbaum, Mitchell, Graham, and Lautenberg.

OPENING STATEMENT OF HON. MAX BAUCUS, U.S. SENATOR FROM THE STATE OF MONTANA

Senator BAUCUS. The committee will come to order.

Today the committee on Environment and Public Works will examine the fiscal year 1994 budget request for the Environmental Protection Agency. I am pleased that we have with us this morning the EPA Administrator, Ms. Carol Browner.

As we review the agency's request we must keep in mind that this Nation is entering a period of extraordinary challenges in the environmental area. EPA has tremendous responsibilities to safeguard human health and the environment, and as this committee has heard, the challenges involved in carrying out those responsibilities are becoming increasingly complex and complicated.

They are more complicated not just because the science and economics of environmental protection are more complex, but because of a simultaneous need to reduce deficit spending and return some fiscal sanity to the Federal budget. All the daunting issues which now confront EPA have serious budget implications. For example, implementation of the Clean Air Act Amendments of 1990 and other statutes is seriously behind schedule. As a result, the States and businesses which must comply with the provisions are thrown into confusion, and the benefits of cleaner air for all are delayed.

Take State and local governments, especially small towns and cities. We all know firsthand of communities with budgets so strapped by environmental regulations that some of them threaten to turn authority over the program back to the Federal Government. And where financial assistance is available, as with the construction of clean water facilities for municipalities, the need is so great—on the order of about \$100 billion—that current Federal aid amounts to little more than a drop in the bucket.

Look at the major program for cleaning up toxic waste dumps, Superfund. It has become bogged down to the point where between 15 and 30 percent of the spending now goes not to the actual clean-up, but to the so-called "transaction costs," essentially, attorney fees.

At the same time, more people are questioning the scientific basis for many environmental rules than ever before. Recently, a series of articles in the New York Times highlighted what it termed "misguided environmental policies," meaning those programs which are not based on sound scientific analysis of risks and which often do not have any cost-benefit analysis.

If that were not enough, we increasingly find that environmental protection is no longer a matter of just domestic law. Biodiversity, global warming, and trade negotiations will only add to the challenge to U.S. environmental leadership and fiscal responsibility.

So as I look at the agency's budget request for fiscal year 1994 with these issues in mind, I am deeply concerned and somewhat perplexed. Almost across the board, the agency is being asked to fulfill its growing responsibilities with shrinking resources. Years ago, when the Defense Department had a great number of ships and planes and divisions to operate and maintain, all without an adequate budget, there was a great hue and cry about the "hollow force," and ever since then people have vowed never to return to that situation.

We don't want to find ourselves with a new "hollow force" when it comes to protection of human health and the environment. If we are to maintain the confidence and the support of the American people in our environmental programs, they must be assured that the programs, once established, are carried out responsibly, effectively, and efficiently.

I am also perplexed, because the budget request totals approximately \$6.4 billion for next year. That is lower than the agency's three previous budgets. Now, the administration did include \$916 million in supplemental funds in the Economic Stimulus Jobs bill, and had that been enacted, the total of supplemental funds plus the fiscal year 1994 budget request would have amounted to \$7.3 billion, considerably above previous budgets.

But that bill did not become law, so the real question is: How does the administration plan to alter its budget request in light of the failure of the jobs bill? The answer to that question will have a dramatic bearing on whether the agency has the ability to effectively manage its programs, or whether we will begin to see the emergence of a new "hollow force."

One final point.

Ms. Browner, at your confirmation hearing you and I both said a lot about the need to prioritize environmental issues, to focus resources and energies where they will do the most good. Let me re-emphasize that point right now.

Let me say to all of us that this is an issue not just for the agency, but for Congress. Unless both branches begin to confront the need to make difficult choices, we are on a path toward cynicism and failure, both of which will have serious consequences for the future of our children and our planet.

On that high note I now turn to the first Senator to appear, Senator Durenberger.

**OPENING STATEMENT OF HON. DAVE DURENBERGER, U.S.
SENATOR FROM THE STATE OF MINNESOTA**

Senator DURENBERGER. Thank you, Mr. Chairman. I apologize for the fact that I'm going to be in and out this morning. The Secretary of the Interior is going to be at Labor and Human Resources talking about national service. I have a short statement.

As everyone understands, there are three parts to President Clinton's economic initiative this year: a deficit reduction package; an economic stimulus package; and a long-term investment package.

EPA's grant program for clean water State revolving funds is a thread that runs through all three parts of the economic program. In the deficit reduction package, President Clinton proposes to kill the SRF grants; in the long-term investment package he proposes to resurrect them; and in the economic stimulus package he asks us to spend some of the 1994 grant money to create 1993 jobs.

The President's deficit reduction package is part spending reduction and part tax increases. Three of us, out of the four who are here now, are on the Finance Committee, and more than that are on this committee and will all be asked to vote for tax increases, which were sold to the American public on the promise that for every dollar of tax increase, there would be some kind of an equivalent spending reduction.

The President's deficit reduction package proposes to abolish the old clean water SRF grants. He counts savings of \$4.1 billion between 1994 and 1997 as a result of abolishing the grant program, and that \$4.1 billion savings is used in the deficit reduction package to justify a \$4.1 billion tax increase.

But then in the long-term investment package the President immediately restores the SRF grants. From inquiries that I've made, and I hope we can clear this up here this morning, it appears that it's really the same old program. The kinds of projects that could be funded might be expanded slightly, but everybody knows that the larger share of the money is going to be used for the same old projects. So it does not appear that there's any real spending reduction, just the tax increase. This is not a change. It's the kind of budget chicanery that leaves the American public unwilling to make sacrifices to balance the Federal budget.

If this is how we're going to play the game, why in the world should the American people agree to a tax increase?

We're not at the end of the story. As I understand it, the House Budget Committee insisted on real spending reductions. There isn't room in a real budget for the long-term investment package, which includes the new clean water SRF grants. The SRF program, perhaps EPA's most popular program, is at risk. It may be that we've seen the last of the SRF grants. It may be that some other program will be cut, and the SRF grants saved. But it seems to me there's a lesson here: it is time to play straight with the budget process.

The 1994 EPA budget is an attempt to be both more and less at the same time. By using the stimulus package and the investment

package to manipulate accounts, it seems somebody tried to "grow" EPA, while the numbers on paper for 1994 show cuts.

I wouldn't complain about cuts; I don't mind a smaller EPA. All of Government needs to shrink. But nobody would propose to get there by killing the agency's most popular program. When I look at the budget I come to the conclusion that the tough decisions haven't been made yet.

To the Administrator I would offer this advice. It is time to admit that we can't be both more and less. We need to be clear on where we're headed and what our priorities will be.

Senator BAUCUS. I thank you, Senator.

Senator Boxer?

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

Senator BOXER. Thank you very much, Mr. Chairman.

I would like to associate myself with your remarks. I think the challenges we face are enormous. It's going to take a new way of thinking as we approach this budgetary year, with all the pressures on us and all the environmental challenges we face.

First of all, I hope this is the last time that we call you Administrator Browner. I hope that the next time we will be calling you Secretary Browner. I want to thank you for being here today.

I know there are tremendous demands on the budget, and we have a President committed to reducing the deficit. Not everyone is going to be satisfied with the budget. I am not satisfied with the budget. I would have felt much better if the jobs bill had passed. I think the programs in that bill were necessary for America, and I also add my voice to that of the Chairman in asking, are we going to go forward as if that jobs package had passed? Are we going to try again to get that jobs package passed? Are we going to change this budget to reflect the fact that it did not pass? I think that's very important.

I am very concerned about the way my State is treated in this budget. I think you heard that from other Representatives from California. There is inadequate spending for wastewater treatment plant assistance to local governments. They are in dire need of assistance as they get Federal mandates. My State of California has a hard time raising money.

I had hoped that the budget would provide more for the oversight of cleanup at Federal facilities so that military bases in California and other States could be quickly cleaned up and put to productive civilian uses. You and I had discussed that, and I've discussed that with my Chairman, because I think that if you look at the challenges we face, we're going to have military bases sitting idle, as ghost towns, in and around our major cities. That's something that we shouldn't be allowing. We should be cleaning those bases up and getting them ready for reuse.

I know that we have budget constraints, so a lot of my comments reach to the issue of priorities. I am interested in hearing your explanation of the priorities you had as you sat down and put this together.

I am concerned about the Coastal Cities Wastewater Treatment grants. They have all been eliminated, except for Boston. Cities like Los Angeles and San Diego are in dire need of these grants. I would like to hear your comments on what criteria were used in keeping Boston and eliminating places like San Diego and Los Angeles.

So I hope that today we open up a discussion of priorities, Mr. Chairman, and I look forward to working with everyone to make sure that we have a budget that reflects those priorities.

Thank you very much, Mr. Chairman.

Senator BAUCUS. Thank you very much, Senator.

Senator Faircloth?

Senator FAIRCLOTH. Thank you, Mr. Chairman. I do not have an opening statement. I have some questions.

Senator BAUCUS. Okay. Thank you, Senator.

Senator Chafee?

OPENING STATEMENT OF HON. JOHN H. CHAFEE, U.S. SENATOR FROM THE STATE OF RHODE ISLAND

Senator CHAFEE. Thank you, Mr. Chairman.

Ms. Browner, I do have a couple of questions to see if I've followed this thing right, and you can answer them in the course of your presentation.

As I understand it, your total agency request is about 8 percent below the current spending levels. I think that's right. In the course of your remarks you could touch on that.

I also understand that the SRF which Senator Durenberger referred to is taking quite a cut. We have a program that has been a success; I think we will agree with that, clean water has been a success. In the current year, the statistics I have show that we appropriated that at \$1.9 billion. As I understand it, you are asking for \$1.2 billion. I am solely talking about the clean water part of it. In the course of your presentation I would be interested in why you are doing that, because even the Bush Administration was in favor of these funds. I think we had an authorization—not an appropriation, an authorization—of something like \$2.5 billion for that last year, and now you've taken a big cut. Maybe it's because you're trying to do something about the safe drinking water.

The other question is on this multimedia approach you have. You put a lot of money into that. You jump it up from \$68 million to \$322 million, into this multimedia approach. My question is, does this get us increased environmental protection?

Finally, if your budget is going down—and who am I, the Republicans are always railing to cut domestic spending, and here you've done it by some 8 percent, which is a big cut, but some of that came out of the revolving fund—but my question is, are you going to have enough money to do the job we're asking you to do? I assume you believe you can, and I would be interested in your answering that question.

Thank you, Mr. Chairman.

Senator BAUCUS. Thank you, Senator.

Senator Metzenbaum?

**OPENING STATEMENT OF HON. HOWARD M. METZENBAUM, U.S.
SENATOR FROM THE STATE OF OHIO**

Senator METZENBAUM. Ms. Browner, I want to say that as one who is very much concerned about the quality of the water in the Great Lakes area, you've made major steps forward in attempting to deal with that issue. It serves the Nation's interests to do so. This body of water, the Great Lakes, is one of the Nation's greatest resources, and we've made considerable headway in improving the quality of that water. I think that with your emphasis on it and your interest in it, as indicated in your legislative proposal here, we will continue to make even greater progress.

There are a few smaller items to which we think you didn't give your attention or support, but I think that those are matters of smaller dimension that we can discuss as the program moves forward. But overall, despite the concern that has been expressed, I do believe your budget proposal is a good one, and we will continue working with you along this line.

Thank you.

Senator BAUCUS. Thank you, Senator.

Administrator Browner, we would be happy to hear your statement.

STATEMENT OF HON. CAROL M. BROWNER, ADMINISTRATOR, ENVIRONMENTAL PROTECTION AGENCY, ACCOMPANIED BY ROBERT SUSSMAN, DEPUTY ADMINISTRATOR; SALLYANNE HARPER, ACTING ASSISTANT ADMINISTRATOR FOR ADMINISTRATION AND RESOURCES MANAGEMENT; ALVIN PESACHOWITZ, COMPTROLLER; AND MARTHA PROTHRO, ACTING ASSISTANT ADMINISTRATOR FOR WATER

Ms. BROWNER. Thank you, Mr. Chairman and members of the committee. I appreciate this opportunity to be here today to present the President's fiscal year 1994 request for the U.S. Environmental Protection Agency.

As the Administrator of the EPA, I look forward to working with this committee and the Congress and the public to shape our Nation's environmental policies for the next four years. Most importantly, I look forward to change. I believe that the American people voted for change last November and that we have already begun the process of initiating substantial changes at EPA.

This Administration has moved environmental issues to the main stage. It is no longer a question of resolving an issue and then saying, what are the environmental consequences of that resolution? But rather, the environmental issues are part and parcel of the debate from the beginning. I think an indication of this is the administration's commitment to moving the cabinet status bill and EPA's full participation on the new National Economic Council and the Domestic Policy Council, two very important councils to the President in shaping his economic and domestic policies. We are happy to be full participating members of both of those councils.

At a time when the American people are demanding better Government, more results for their tax dollars, and a smaller Federal budget deficit, President Clinton is proposing to address these

issues with a new environmental agenda, better management of environmental programs, and increased Federal investments to protect public health and natural ecosystems.

The EPA budget request for fiscal year 1994 totals \$6.4 billion. This includes \$2 billion in the investment portion of the administration's request. Viewed in the context of the administration's overall 1994 budget, which I think is a budget notable for its honesty, realism, and emphasis on deficit reduction, the EPA portion is an important measure of the President's commitment to the environment. I believe that this budget will allow us to begin to make real changes and real progress in 1994 and beyond.

The proposed budget is only the first step in an ongoing reevaluation of EPA's priorities. We have already begun a comprehensive review of all EPA spending. It has been more than a decade since EPA undertook what is called a "base review" across the board of all of the agency's programs. It has been done by individual offices, but it has not been done across the agency, and we have begun that process so that for our fiscal year 1995 budget and beyond we will be able to make significant changes that represent the priorities of this Administration.

The fiscal year 1994 budget—I just would like to remind members of the committee that a great portion of the work is done before the new Administration comes to the table. The budget process within the agency takes almost nine months to complete, and when I came to the agency I did invest substantial amounts of my time to make sure that we addressed some significant concerns that I had, some priorities that I had. But there was not enough time to really delve into all of the smaller programs of the agency, so we look forward to doing that in anticipation of the 1995 budget.

But the priorities that I have brought to the table that this Administration thought important include increase assistance to State and local governments, expansion of pollution prevention programs, emphasis on ecosystem-wide protection, and better management of all public resources and all programs of the agency. I would like to touch on each of those briefly.

Mr. Chairman, if I might ask that the full statement be inserted in the record?

Senator BAUCUS. Without objection.

Ms. BROWNER. First of all, assistance to State and local governments, we have talked previously about this. But again, because of my background in coming out of a State agency, I am particularly committed to doing everything we can to enhance the capacity of State and local environmental agencies. I believe they bring a large number of resources, a large number of people, a wealth of knowledge to the work that we do, and the more that we can do in partnership with State and local governments, the better we are going to be able to provide the public with the clean air, the clean water, the protection of the natural resources that they demand.

There are several initiatives included in the budget that I believe start us down that path. Several of you have already touched on them, but again let me mention them briefly.

In this budget the President has called, for the first time, for funding of \$600 million in fiscal year 1994 and \$1 billion annually thereafter, to help municipalities come into compliance with the

Safe Drinking Water Act. I know that it is one of the primary concerns we hear when we visit with small communities and when we visit with municipalities, that they are not able to meet the increasing costs associated with compliance with the Safe Drinking Water Act. We are calling for the creation of an SRF to help those communities stay in compliance and provide safe drinking water to the public and to the citizens.

The budget also calls for the creation of a new clean water State revolving fund of \$1.2 billion. This fund would provide low-interest financing for projects, including traditional wastewater treatment projects as well as stormwater combined sewer overflow projects, nonpoint source projects, and national estuaries protection. We have heard, as I think many of you have, from a number of communities who feel that they cannot make use of the existing clean water SRF, that there are restrictions on the funds that do not make it really available to them. So we would seek to modify the program so that more communities could participate, smaller communities could participate. We have been working on a range of options in terms of how to make sure that we reach the largest number of communities so that we can deal with the problems of all and not just a few.

In addition, this budget also requests \$80 million for grants to reduce nonpoint source pollution in our Nation's water. This is a significant increase over past budgets. It is a demonstration of this Administration's commitment to dealing with nonpoint source pollution issues, the effects of which I think we are all seeing in our surface waters, and perhaps even in some instances in drinking water supplies. So this is something that we have recognized as a priority and to which we have brought additional funds.

The budget also proposes further investments in U.S.-Mexican border projects that not only protect the environment and public health along the border, but also demonstrate U.S. commitment to the North American Free Trade Agreement. For these activities we are requesting a total of \$150 million. I would be more than happy to go into detail on how that would be spent.

The second priority is pollution prevention. I think as we all have worked in this area for a very long time and have seen the tremendous progress that has been made through the regulatory tools, through the various statutes that have been passed by this committee and others, we have come to recognize that if we are going to do what we are going to need to do in the next 10 to 15 years, if we are going to achieve the protection that is so important to the citizens of this country, it will not be exclusively through end-of-the-pipe command and control technology, but rather we are going to have to reach upstream to prevent pollution in the very first instance. We have made that a priority across the agency. We do have two offices that focus all of their time on pollution prevention, but that will not be the way we ultimately achieve pollution prevention. We have got to look at it in every single thing that we do, from permitting to rulemaking to the work that we do on legislative priorities, enforcement corrective actions, all of those offer us opportunities for pollution prevention and we are absolutely committed to integrating pollution prevention into every aspect of our work.

In addition, this budget does call for the creation and the expansion of the Greens Program, which will promote energy efficiency, reduce greenhouse gas emissions, and also we have included an increased environmental technology initiative. I think this is extremely important for the agency. When we talk to visitors from other countries, they are so eager for the environmental technologies that we have been able to develop in this country, and I think it creates an interesting opportunity for exports on the part of many businesses in this country. The amount of money that is requested, \$36 million, will allow us to work with other Federal agencies—who quite frankly do have more money in terms of what they'll be doing in helping to develop technologies, but it brings us to the table. It helps us to be part of the discussion, it helps us to be part of leveraging the use of that money and helping to continue to put the United States at the forefront of environmental technology development. Not only do those have export opportunities, but they also have tremendous opportunities domestically, everything from advancements in cleanup technologies to pollution prevention strategies. So we are very, very excited about that funding request in our budget.

Third is the ecosystem protection. We have learned an awful lot in terms of how systems function, the integration among air, land, and water, and it is essential that we look at all of our programs and that within the agency we seek to provide that integration. Senator Metzenbaum made reference to the Great Lakes Water Quality Initiative. That is one example of how we can look at a system as a whole; we can work with the local community—in that instance, eight States—through more than 100 public meetings to develop a comprehensive plan for dealing with that system, a plan based on how people live their lives, based on the jobs that are available in those communities, and the future that they see for their children.

So we are very interested in increasing our activities on a watershed ecosystem basis. It also provides us with a very positive forum for developing and strengthening that State and local relationship that we think is so important to the future of environmental protection.

Finally, I just want to make a very brief reference to better management of public resources. Of all the changes in this fiscal year 1994 budget proposal, the most significant may be the changes proposed in the way the agency manages its daily business. My goal is absolutely clear: we must operate a model in terms of overall management, and particularly in terms of basic fiscal practices. The agency had begun a process last summer of looking internally at how to better manage its contracts, and that has now been expanded to all fiscal practices. We are putting in place a number of practices that I believe will make us a model within the Federal Government. This budget also reflects an increase of 155 people, designed to deal with those fiscal issues.

As we have developed over the years, we have become an increasingly large user of contractors, people outside of the agency. It is absolutely essential that we manage those contracts with the best possible practices to bring the resources to bear, to bring the

people to bear with the expertise and with the knowledge. That's a very, very high priority.

Finally, I would like to say that I believe this is a very exciting time in the field of environmental protection. I believe we are at a crossroads. We are moving beyond regulation to prevention. I think there are many exciting opportunities that present themselves as we make this transition.

It is also a time of very difficult choices. The President believes very strongly in the need for deficit reduction. I think that is a reflection of the American public and their desire to see the deficit reduced. We were faced with difficult choices in putting this budget together, and in a perfect world I am sure we would have liked more money. That was not an option that was available to us, given all the other factors that had to be dealt with across the Government. I believe that we bring you a budget that is real, that is based on important priorities, priorities that I think we all share, and that will allow us to continue to do the quality of work that the American public has every right to demand.

We look forward to working with you as we implement this budget, and would be more than happy to answer any questions.

Senator BAUCUS. Thank you very much, Ms. Browner.

What are your plans about the job stimulus package that was defeated, particularly the portions that affect your agency? What are your plans now? Do you plan to resubmit a supplemental? Are you going to ask for a budget amendment? What are your plans?

Ms. BROWNER. Mr. Chairman, I appreciate the question.

The Administration is extremely aware of the situation that we have been placed in with the failure of the jobs package. Apparently, we are unique among the agencies that were included in the jobs package, in that we were one of maybe only two where there was money being moved from fiscal year 1994 into fiscal year 1993; \$845 million of the over \$900 million that was included in the jobs package for EPA was the clean water "forward funding," if you will. We believed it would create real jobs in a very immediate time frame.

In all of the negotiations that took place in an effort to see if the jobs package could move forward, as I'm sure you are aware, the \$845 million was "held harmless." The intention was to see that funded if some sort of arrangement could be made.

We have been working with the White House, exploring options in terms of making sure that at least some portion of that money does become available to us. The procedural path is a subject of discussion now among the House and the Senate and the White House, but I can assure you that the White House is very committed to helping us and to working in a cooperative manner to make sure that we get at least a significant portion of that money.

Senator BAUCUS. What progress have you made in getting the full \$2 billion restored in the wastewater treatment revolving loan fund? There's \$2 billion; \$845 million was pushed from 1994 to 1993. You've lost the 1993. What progress have you made to get the full funding level back up to \$2 billion?

Ms. BROWNER. The \$1.2 billion is in the investment package, which is still before the Congress. The \$845 million, as I said, we

are exploring options as to how we could put that money back in and make that money available to the agency.

Senator BAUCUS. When are we going to have a decision as to what the administration wants?

Ms. BROWNER. The White House is working with the leadership in both the House and the Senate to see what is the preferable vehicle in terms of a supplemental or perhaps a reduced jobs package. I don't think that those discussions have been completed.

Again, Mr. Chairman, what is important from my perspective is that all along, the White House has maintained its commitment to the clean water SRF. They have recognized the dire need that exists, the jobs that will be created, and in all of the discussions that took place, that money was held harmless.

Senator BAUCUS. What would your reaction be if the safe drinking water proposal were diverted and cut out to make room for restoration of the wastewater treatment program?

Ms. BROWNER. I would hope that we can find a way to do both. I think that there are pressing problems in both instances, both wastewater, combined sewer overflow, storm water, all of those issues that could be addressed through a modified clean water SRF. And the drinking water needs are very significant. I don't think there is a municipality that is not interested in some assistance, and there has never been an SRF for drinking water. I think it is one of the more creative proposals anywhere in the Federal budget, a recognition of the partnership that the Federal Government must have with State and local communities. So I would hope that we can address both of those pressing needs.

Senator BAUCUS. I agree with that, and I can tell you from my experience that communities are very concerned about this, particularly the safe drinking water portion.

When is the administration going to send up legislation authorizing a safe drinking water revolving loan fund?

Ms. BROWNER. Mr. Chairman, we are in the interagency review process as it relates to policies regarding a safe drinking SRF, and also a legislative proposal on the clean water SRF. We would hope to have those done in the next couple of days and available to the committee.

Senator BAUCUS. Now, one very perplexing and very difficult problem that we both have, the Congress and the administration, is that the administration's budget proposes substantially more spending than is allowed for in the budget resolution, some \$5 billion to \$7 billion. Why did the administration do that?

Ms. BROWNER. Well, if I understand, the \$5 billion is in the investment package. I think the administration felt like there were a number of extremely important issues, including the drinking water SRF, the new clean water SRF, which is \$2 billion. Obviously it's going to be a complicated set of decisions that will need to be made.

Senator BAUCUS. So how can we get more for water, and then we have to cut \$5.5 to \$6 billion on top of that?

Ms. BROWNER. I understand that it's a very difficult situation.

Senator BAUCUS. What is the recommended solution?

Ms. BROWNER. Fund our part.

[Laughter.]

Senator BAUCUS. Frankly, why can't the administration help us out here? The Administration basically is asking Congress to make these cuts somewhere.

Ms. BROWNER. Well, I think the administration—I know that at EPA we would like to work with this committee and other committees to make sure that we are doing the very best we can in terms of meeting the tremendous needs that are out there.

Again, I think the fact that the President's budget does include \$1.2 billion for an expanded clean water SRF and another \$600 million for a drinking water SRF is a recognition of the needs out there and a commitment to helping address them.

Senator BAUCUS. I understand that, but there are some who say that because they are labeled as investment, they are more vulnerable and more likely to be cut as the administration and the Congress work toward accommodating the administration's failure to match the budget proposal with the budget request. That makes this investment portion more vulnerable.

Ms. BROWNER. Right, I understand the concern, that the investment package is where the shortfall occurs. That will make for some difficult decisions.

Again, in looking at those decisions and in working together it would be my hope that the \$2 billion for safe drinking and clean water could be held harmless. I don't think those are significant when you look at the outlays which also have to be addressed. I think in terms of the outlays in comparison to the other projects that have been included in the investment package, they are not so significant that they can't be protected.

Senator BAUCUS. Well, I am quite concerned, frankly.

Ms. BROWNER. Yes.

Senator BAUCUS. I very strongly urge the administration to get ahead of this; otherwise it's going to find itself behind it, and may find itself on the short end. You may find that your problems have just begun.

Senator Chafee?

Senator CHAFEE. Thank you, Mr. Chairman.

I have trouble understanding why, when we have a successful program that hasn't been completed, namely the clean water waste treatment construction program, that we suddenly launch into a clean water program.

I think that we probably went too far on the safe drinking water requirements that we passed here a few years ago. As you recall, last year we made some little adjustments to it. But frankly, I would hope that the administration would press us to take up that Safe Drinking Water Act again, look at it, and see whether we've levied too severe requirements on the municipalities. The logical reaction is to come to us and say, "Look, it's the old story. You put a mandate on us and you don't give us any money." Maybe the answer is that we shouldn't have levied such a mandate on them.

Do you have any thoughts on that?

Ms. BROWNER. I am certainly aware of communities that have raised the very issue that you mention, communities that believe that they are being asked to test for particular parameters that have not been known to occur in their drinking water supply in their region of the country.

We would be more than happy to work with you and the committee on these issues. Again, I would just say that of all of the issues I hear about from local government, this has to be at the top of the list. There's not a local government that doesn't raise these concerns with us.

Senator CHAFEE. Yes, but it may well be that they're suddenly discovering that we've imposed these requirements on them under the Safe Drinking Water Act that they never had before, and that suddenly they're discovering that they're having to meet them. Some of these are very, very small units.

Ms. BROWNER. Senator, I don't disagree with you. That's certainly been my experience, that some very small units are required to deal with parameters—in some instances, on a quarterly basis. There may be more appropriate ways to address that on an annual basis for certain parameters. It may be that for certain parameters if you test once and they don't occur, then you don't have to test again for a period of time.

If I understand what you're saying, I think it is appropriate to look at whether or not flexibility could be brought to the program that would give us the assurances we need in terms of the quality of our drinking water, but also meet the concerns of the systems and the increasing responsibilities that have been placed on those systems.

Senator BAUCUS. If the Senator would yield on that question, as I understand it, the EPA is now conducting a study of the Safe Drinking Water Act, pursuant to an amendment that this Congress required, and the results of which are supposed to be out in July. I am just curious as to the status of that study and whether it will be provided to the Congress on time, which has been a big problem with the agency, to accommodate some of Senator Chafee's concerns and my concerns, and the concerns of all of us on the committee.

Ms. BROWNER. Yes, as I understand, that report was requested by this Committee. We are in the process of completing it. I believe we will be on time, and it will look at some of the very questions that both the chairman and you, Senator Chafee, are raising.

Senator CHAFEE. Do you, in that agency, ever sit down and evaluate whether the money is going toward those efforts that would probably be most effective health-wise? Let me give you an illustration of what I'm talking about.

I've been shocked at the lead levels in children in our cities. If you believe what they tell us, that this has all kinds of ramifications on the intelligence of the youngster and the youngster's future health, then it would seem to me that this a major problem, much more than the potentiality of—what is it? Giardia?

Ms. BROWNER. Giardia.

Senator CHAFEE. —Giardia.

Ms. BROWNER. Which is also a problem.

Senator CHAFEE. You know, worrying about that and launching into a \$1 billion annual program for municipalities who have always handled their drinking water themselves before, seems to me to be an odd venture.

Listen to this: "In low income households, 68 percent of the black children and 36 percent of white children are estimated to have

blood lead levels above 15 MGDL," and as I understand it, that's way above the danger level.

Ms. BROWNER. I think the danger level set by the Centers for Disease Control is 10.

Senator CHAFEE. Something like 9 or 10, that was my impression likewise. And here you have 68 percent of black children at 15.

What do you say? Do you sometimes sit down over there and say, "Now, look, where's the best place to put our money?"

Ms. BROWNER. Senator, I absolutely agree with you. We estimate that one out of six children in the United States has elevated lead levels. We are extremely concerned about the issue.

The budget before you represents a 50 percent increase in dollars to deal with the lead issue. There is a \$15 million increase; \$10 million would be made available to the States for lead abatement activities; \$5 million would remain in the agency so that we can do some analysis on the efficiency of certain actions that need to be taken to remove the risk in individual houses, schools, etc.

One of the things that I did when I came to the agency was sort of the process that you talk about, which is to say, "In our budget are we really addressing those most pressing concerns?" And that is why I made the decision—it was not a decision that was in the draft as presented to me—to increase the commitment of our resources to the lead issue, because it is a very, very serious issue.

I might just say one last thing about that. Here is an issue that people can do something about individually. In a lot of the issues that we deal, for individuals to actually participate in the solutions is hard. But there are things that parents can do to significantly reduce the risk that their children are at. Last week we were pleased to announce, in conjunction with the National Safety Council, a public service announcement effort across the country to inform parents about what they can do to make materials available to them in an easy-to-understand way so that we can actually begin the process of addressing this very, very serious health concern.

Senator CHAFEE. My time is up. I am a little discouraged over this, because I felt that when we basically eliminated all leaded gasoline, the effects of lead in low-income areas would be greatly reduced. That has presumably helped, but—

Senator BAUCUS. It's in the air.

Senator CHAFEE. It's in the air, right, but the children are there; the cars are whizzing by, and there are no longer leaded emissions polluting the air. I would have thought that would have been a big step forward, but apparently it hasn't been.

Thank you.

Senator BAUCUS. Thank you, Senator.

Senator Boxer?

Senator BOXER. Thank you, Mr. Chairman.

Administrator Browner, I'm going to talk about the things I don't agree with. I agree with you on most things, but there are a few things that I really don't agree with. So if I press on those, understand that in my limited time, rather than go over areas of agreement, I'm going to see if I can press on some of the problem areas. And they are serious problems to me.

For example, you announced a new program to show your commitment to NAFTA, which may or may not go forward. I don't

know the result of that. It's \$115 million. But yet, without NAFTA, we've got a terrible problem in San Diego, treating Tijuana's sewage. That's without NAFTA. They need \$45 million. My understanding is they were going to get it out of that Coastal Cities Program. Will they be able to get it out of that \$150 million?

Ms. BROWNER. Yes, \$70 million of the \$150 million is available for the Tijuana project. That is for the wastewater treatment facility that will be built to deal with the waste that flows north.

Senator BOXER. Okay, so we can tell our San Diego people that their project is covered?

Ms. BROWNER. The Tijuana project.

Senator BOXER. Yes. That's the one we're concerned with.

Ms. BROWNER. Now, I think there is an additional project that you're concerned about.

Senator BOXER. So the Tijuana part is taken care of.

I want to press you on the issue of the Coastal Cities Wastewater Treatment Program. As I understand it, you have zeroed it out except for Boston, and you've come up with some criteria which—I don't understand how Boston fits those and California doesn't fit those, so maybe you can explain to me why you zeroed it out, and why Los Angeles and San Diego don't fit the same criteria you set for Boston to qualify.

Ms. BROWNER. Senator Boxer, in looking at the budget and trying to address some very difficult issues, it became clear to me and to the administration that what we really need to do is develop a program, and we have begun work on this and would hope to include it in the fiscal year 1995 budget, of some sort of method for addressing the concerns raised by a number of cities who are experiencing significant increases to their ratepayers for wastewater treatment projects.

The formula that is included in this budget—and you are quite right, we do believe that Boston will be the only city that can qualify for that—is a formula based on the amount of “rate shock,” if you will, that the individual ratepayers will experience. But we are absolutely committed, rather than doing this sort of on a piecemeal basis, to come back and to work together to develop a comprehensive program that will address the concerns of all of those cities that are going to experience “rate shock” as they come into compliance with the Clean Water Act.

Senator BOXER. I'm going to put together some numbers here, because I think we will.

I want to know why you zeroed out this program, this Coastal Cities Wastewater Treatment Program, except for Boston.

Ms. BROWNER. Again, this was one of the most difficult decisions that we had to make. We believed on balance that the better way to address the concerns raised by—there are a number of other cities that will also not receive funding in the fiscal year 1994 budget—

Senator BOXER. The Coastal Cities Wastewater Treatment Program consisted of Seattle, San Diego, Los Angeles, Boston, New York, and Baltimore. These cities, you may know, are struggling mightily, and they have just come out of a decade of neglect.

Mr. Chairman, I thought we were going to be facing a little bit of a different attitude here in terms of our cities. The only one that comes out with anything is Boston. I am very concerned about this.

What I hear you saying is that you're going to look at it for fiscal year 1995?

Ms. BROWNER. Yes.

Senator BOXER. But you did away with this program because you thought it was more important to do the drinking water, as one example?

Ms. BROWNER. You have to look at our budget as a whole. It's an effort to develop priorities and to place resources into those areas that we feel are extremely important.

I think the thing to remember is that the State revolving fund is a mechanism to help provide dollars to all of the communities in need, and that as we look at an expanded clean water SRF, these are the sort of questions that we need to be asking and that we need to be striving to answer.

Senator BOXER. Well, I can answer the question of whether or not Seattle, San Diego, Los Angeles, Boston, New York, or Baltimore needed that Coastal Program, and the answer is yes. By zeroing them out, except for one city, I think you've left a gaping hole here. Filling in with other programs which we all support is important, but I guess it reaches to Senator Chafee's point, that we have a program that is doing well, then we walk away and we start a new program. I support the new program, but I'm still very concerned about this.

Could I ask one more question?

Senator BAUCUS. Absolutely.

Senator BOXER. On Superfund, you wrote in your testimony the following: "At current rates of private party participation we do not anticipate a decrease in the pace of site cleanups," even though you are decreasing the funding by \$77 million. That's good, and I'm glad, because I don't think that when you throw money at a program, it necessarily makes it better. But I think the pace of Superfund cleanups is an abomination. In California, we have 95 sites; Mr. Chairman, they have cleaned up one site to completion.

Out of the 1,200 sites, how many have we cleaned? Sixty?

Ms. BROWNER. Out of the 1,200, construction has been completed on 160.

Senator BOXER. On 160. So when you say that "at current rates of private participation we do not anticipate a decrease in the pace of site cleanup," I am saying, why aren't we aiming for a speedup in cleanups?

Ms. BROWNER. I think it's important to make sure that we do a good job on this. And we will be back before the subcommittee later this week to speak specifically to Superfund. But right now we anticipate that we can deal with 52 cleanups a year, approximately one a week. That is based on the existing level of resources that we have available to us, the staff that we have available for the program. We may be able to do a little bit better than that. We are certainly doing everything we possibly can to exceed that. We were able to exceed that in the last fiscal year, and perhaps we will again. As we look at our numbers we will get a better sense of that.

But it's not a question of just more money. It's a question of looking at the program as a whole, and looking again at the staff we bring to the program in terms of what we're able to do.

Senator BOXER. I don't have any problem with the fact that you cut some of the money. I have a problem with this statement, "don't anticipate a decrease in the pace of cleanups."

Ms. BROWNER. Maybe this would clarify it. There is a reduction, and I'm going to be honest about this, in this budget in terms of the dollars available from the Superfund trust fund, if you will. There is a reduction. I think it's approximately \$84 million. Now, a piece of that represents a Congressional add-on, and a piece of that represents efficiencies we have been able to achieve in the program, everything from expedited cleanups—we now do a much better job of getting responsible parties to actually handle the cleanup. Seventy percent of cleanups are handled by responsible parties.

So there have been some changes. Again, we will be back tomorrow on this.

Senator BOXER. I'm on the subcommittee, so I will see that.

Senator BAUCUS. But even at your optimistic rate of 52 a year, that means it's going to take at least 24 years at that rate?

Ms. BROWNER. If we don't add any more sites.

Senator BAUCUS. If there are no more sites, that's correct.

Also, I am a little bit perplexed by your answer to Senator Boxer on why Boston, and not other cities, qualified for the Coastal Cities Program. I would like you to submit documentation to this committee as to why other cities do not qualify, compared to Boston, and the reasons. Because I am not fully persuaded by what you say is the reason for what you've done.

Ms. BROWNER. We will submit an explanation of that formula.

[The information referred to follows.]

INSERT FOR THE RECORD

BOSTON HARBOR

SENATOR BAUCUS: What is the basis for the Agency's commitment to continue funding of the cleanup for Boston Harbor when funding for other coastal cities with similar problems is being discontinued? Is this the most effective use of funds to achieve the goals set forth in the Clean Water Act?

ANSWER: As you know, coastal city grant funding was not included in the EPA's FY 1994 budget request. Such grant funding is no longer being requested because we believe that the State Revolving Fund (SRF) program should be the primary vehicle for providing financial assistance to States and municipalities for the construction of wastewater treatment facilities. Targeting of funds to specific communities draws funds away from SRFs which are designed to provide funds for the highest priority projects in each State.

We are requesting \$100 million in grant funding for "Needy Cities" because we were trying to assist cities with significant needs for secondary treatment and which are facing significant hardship in affording the cost of needed secondary treatment facilities. This program is targeted for cities with documented secondary treatment needs in excess of \$2 billion and with residential wastewater user charges in excess of 0.65 percent of median household income. The criteria used to develop these parameters of the special needs program was based on various analyses that compared the wastewater treatment needs against the financial impact of addressing these needs. EPA identified only two

cities (New York and Boston) which have secondary treatment needs in excess of \$2 billion and of these two cities only Boston has a user charge which exceeds 0.65 percent of median household income.

The Administration, in general, opposes the earmarking of funds with wastewater treatment funds. However, we are concerned about the cost burden faced by several communities and are reviewing options to establish a self-financing fund to address infrastructure needs of communities that face exceptionally burdensome costs to meet secondary treatment standards.

The key arguments in favor of funding Boston Harbor are 1) it is one of two communities with needs greater than \$2 billion for meeting the cost of secondary treatment and 2) it is the only community with such needs with user charges in excess of 0.65 percent of median household income. Additionally, Boston has demonstrated a much greater ability to put appropriated funds to work than most of the coastal cities. The following table compares the amounts appropriated with funds obligated through March 31, 1993.

<u>City</u>	<u>FY 92/93 Appropriations</u> (\$ Millions)	<u>3/31/93</u> <u>Obligations</u> (\$ Million)
Boston	200.0	144.8
New York	140.0	31.2
Los Angeles	110.0	0.0
San Diego	85.5	38.5
Seattle	70.0	0.0
Baltimore	80.0	29.0

Senator BAUCUS. Senator Durenberger?

Senator DURENBERGER. Mr. Chairman, I apologize once again for being absent.

I understand, Ms. Browner, that you did respond to several questions that I had relative to safe drinking water and some of the issues that I raised in my opening statement. I also understand that while I was out Senator Chafee asked you about priorities in the budget process and whether the agency ever looked at spending in relationship to the biggest health risks. I am told he mentioned lead in children and Giardia as examples.

I wanted to note that Bill Reilly asked the Science Advisory Board to undertake just such a comparison, and they concluded that drinking water quality is among the top four problems. I think they had ambient air quality, nonpoint pollution, drinking water, and then workplace exposure to toxics.

I wanted to reinforce that in the context of his question, in the context of water quality.

Let me ask you a question as sort of a follow-on to the safe drinking water issue. When you were here for your confirmation I gave you a letter that was signed by this broad cross-section of the drinking water and environmental communities, and they were urging increases in the public water supply system grants, the ones that are used by the States to pay for oversight.

It has always been my impression that good State oversight is critical to the program, and we built some flexibility into the law, and your predecessors built it into the regulations, so that they could reduce the compliance costs for local drinking water systems.

In 1993 the public water system grants were \$59 million. If I understand it correctly, your 1994 budget didn't have an increase, just level funding at \$59 million. I must say that it's surprising to me that there wouldn't be room in the budget to increase this just a few million dollars.

I wonder if you wouldn't try to square these two things, a big new grant program for local infrastructure, but no increase in the oversight.

Ms. BROWNER. I think you raise a very, very valid issue, the question of the monies available to the States for the day-to-day management of the program. It has, I think, been at a constant approximately \$60 million for some time now.

One of the issues we are looking at in proposing the safe drinking water SRF is the possibility of a setaside within that SRF to go to the very issues that you raised, the day-to-day management of the program, to actually provide greater funding to the States to deal with those responsibilities.

Senator DURENBERGER. What's their incentive to do it, though?

Ms. BROWNER. I'm sorry?

Senator DURENBERGER. What's the State's incentive with a setaside, if they can use it for infrastructure building rather than for oversight?

Ms. BROWNER. Well, an individual State would have the opportunity to make that decision. If they are able to get additional funds through their State legislative process for the day-to-day management, then perhaps they wouldn't access the setaside. If it's something their State legislature has not been historically inclined to

assist them in, then they could access the setaside. It provides the States with flexibility in terms of how they manage these resources. I think it's something that many of the States would consider a positive. It might well be that in the future, in fiscal year 1995, we should look at an increase in the grants monies available to the States, that might be more appropriate. But in terms of dealing with the situation as we find it right now, I think a setaside could be very helpful to the States.

Senator DURENBERGER. I want to ask you another question or two off the water subject, but pretty important to my State and a lot of other States around the country, and that's the Oxygenated Fuels Program issue. I think we all know about the wintertime program to cut carbon monoxide emissions.

Last year, or last winter, I guess, we had some problems in Alaska, Montana, and New Jersey about adverse health effects from MTBE, and as I understand it, as a result—in fact, I have a letter that of April 1—EPA is doing some more research on the health effects before we get to the next nonattainment season.

I wonder if you could tell us something about where that research stands today, how you're going to decide what to do with the research, and so forth.

Ms. BROWNER. Senator, you are exactly right. Concerns have been raised in several communities. We are in the process right now of evaluating those concerns and will be making a proposal in terms of what steps are necessary to address them. I can give you a more detailed answer in writing in terms of the various things that we are doing, but we are aware—and I am aware—of the concerns in those communities, and we are moving to address them.

Senator DURENBERGER. As you address that, let me add a particular concern about the issue of reference doses as it applies to MTBE.

As I understand it, there are some people in the research and development office at EPA working on a proposal right now to relax the reference dose for MTBE. I guess I would caution them by cautioning you that if that is the case, maybe put that on hold until you get the results of this study.

Ms. BROWNER. I'm not aware of the work that you make reference to. It may well be occurring. We will obviously check that, and we will also let you know about that.

Senator DURENBERGER. In case somebody didn't say it while I was out, on the safe drinking water issue, can I say something really nice about Mr. Elder and the whole team over there? They are in a difficult situation and I think they're doing a pretty good job.

Ms. BROWNER. Thank you very much.

Senator BAUCUS. Thank you, Senator.

I would like to turn to a very able member of our committee, the distinguished majority leader.

STATEMENT OF HON. GEORGE J. MITCHELL, U.S. SENATOR FROM THE STATE OF MAINE

Senator MITCHELL. Mr. Chairman, thank you very much for your courtesy in permitting me to make a brief statement.

Because of my duties as majority leader, I do not often attend committee meetings, but I wanted to come today to express my personal concern and support for the effort that you are making, Ms. Browner, and the effort that the President is making in this area, and to urge you on in that effort.

First let me say that we hope the next time you come here, we will be able to call you Secretary.

Ms. BROWNER. Thank you.

Senator MITCHELL. We look forward to that. If the House acts, we can get that legislation into law.

I believe that the most important element of the President's budget proposals for the EPA is the expanded support for environmental infrastructure. The President has proposed supplemental funding for State sewage treatment loan funds in this fiscal year, and future expansion of the program to help small communities, and to make a wider range of projects eligible for assistance, including combined sewer overflow control, nonpoint pollution control, and stormwater control projects.

In addition, he has proposed creating a new loan fund for drinking water projects, beginning with \$600 million in fiscal year 1994 and rising to \$1 billion in 1995 and future years.

I believe the President has set the right course. Investment in environmental infrastructure projects protects the environment, improves public health, and creates hundreds of thousands of jobs in construction.

In recent weeks especially we have heard repeated calls for reducing our investment in environmental infrastructure, for lowering our public health and environmental standards, and for applying ever more strict cost-benefit tests to environmental projects. Many of these proposals are in response to the concerns of communities for the costs they must meet to deal with environmental and public health goals.

I personally met with municipal officials from all over my own State of Maine, and I have heard very clearly and forcefully their concern for the growing cost of environmental and public health projects. But most of the officials with whom I meet do not ask that we reduce environmental or public health standards. They do ask that the Federal Government restore the partnership among the Federal, State and local governments which for many years brought communities a cleaner environment and a higher standard of public health at a cost they could afford, along with the added benefit of thousands of construction jobs.

The President has proposed to rebuild the environmental partnership and the shared commitment that brought us dramatic environmental benefits, like the cleanup of our rivers and streams under the Clean Water Act. I think that every member of this committee can recall the time when most of our rivers were stinking, open sewers. Passage of the Clean Water Act, with a substantial funding commitment, began 20 years of successful cooperation in water pollution control.

This budget is a first step toward rebuilding that Federal, State and local partnership for environmental protection and economic health. It is a good start for 1994, but, of course, there is more that we need to do.

I look forward to working with the President; with you, Administrator Browner; and especially with our chairman, Senator Baucus, who has been a national leader in this effort, as has Senator Chafee when he was chairman, and now as ranking member. And I urge you in your position and with your eloquence to take the lead in making the case for an expanded investment in environmental infrastructure. It is a case that is important to our country. It needs to be made, and we look forward to working with you on that.

Mr. Chairman, again I thank you for your courtesy in permitting me to be here today.

Senator BAUCUS. Thank you very much, Senator. I appreciate that statement. In fact, it's a subject we have been addressing already this morning. Thank you very much.

In that regard, Ms. Browner, could you give us a little better idea of what you are doing to address the States' concerns about over-regulation and hassle from EPA? You had a considerable direct experience with this problem when you were in Florida. What are you doing now that you are at the other end to help alleviate some of the burdensome and very legitimate complaints that State and local governments have with respect to EPA?

Ms. BROWNER. Several things—

Senator BAUCUS. You mentioned some in your statement, but perhaps you could go into that in a little more detail.

Ms. BROWNER. First of all, the agency has been involved in an analysis of State capacity, and we are completing that analysis. I believe that will provide us with a framework of how to structure the relationship between the Federal Government and State governments to develop the capacity. As I think we are all aware, different States have placed different priorities on their environmental programs, different funding levels, and what we would like to do is work with all of the States to make sure that the best possible use of resources is occurring.

Senator BAUCUS. What's the biggest complaint that the States have, in your view?

Ms. BROWNER. It really varies. Some States want more delegation because they feel they have the ability to do it, but in some instances the flexibilities don't exist for us to provide greater delegation. For other States, they feel like they can't deal with some issues. One issue that has come up is the whole question on primacy with drinking water. There are States that have seriously considered returning primacy to the Federal Government.

I'll be very honest with you, we don't have the resources to manage even one major State if primacy were to be returned. It is just not something that has ever been really funded in our budget, and it would put us—and perhaps the citizens of that State—at some risk.

The other thing that we are doing, tomorrow we will begin the process of meeting with the heads of State agencies to actually talk with them, to seek their input in every single thing that we do. We are putting together committees of State representatives for the legislative proposals on which we will be looking forward to working with the committee.

Again, the intention is not to exclude the States from the process or to give them less of a responsibility than they might be able to assume, but sometimes the effect has been just that. So we are going back to the States and asking them to be full players as we come through these processes.

Senator BAUCUS. Do you have a deadline by which you plan to have a pretty good idea as to what the solution to this problem is?

Ms. BROWNER. In terms of the States?

Senator BAUCUS. Is it just ongoing?

Ms. BROWNER. I think it has to be ongoing.

Senator BAUCUS. Or are you dedicating a certain task force, a certain group or something, to get a handle on this thing and have a solution—about as much as one can have one—by a certain date? Or is this another project that goes on the never-ending pile and it just goes on and on?

Ms. BROWNER. I think it's two-fold. One is the State capacity. That has been a specific project, putting in place the structures that allow for the States to participate more effectively in specific rulemaking and legislative development. Those are specific structures that we will develop.

The other is that, quite frankly, we have to work on this in every aspect of what we do. We have to facilitate the relationship between us and our State partners. That's not something we've done.

Senator BAUCUS. You're the Administrator, so it's your job to find solutions. I'll just tell you, I will ask you this question again in what I think is a reasonable period of time, and I will match what I hear from the States compared with what you may or may not have done by then.

Ms. BROWNER. I'll give you an example. Just two weeks ago we were asked by the State of New York to make an expedited decision, something the agency historically has not tended to do. We turned the decision around in 48 hours. That's an indication of our commitment to a new way of dealing with the States. When they are out there implementing the Federal laws that we have delegated to them, we have to be there to give them the timely decisions they need to move forward with those delegations. We were able to do it.

Senator BAUCUS. Senator Chafee has touched on this next question. Could you tell us about your performance indicators and how you measure performance, and in what areas, to better get at the question of whether your agency's time and resources are well spent? I think you've done it in some areas and some programs, but could you just tell me the degree to which you have performance indicators where you measure results as well as you can, to give us a better idea of whether our resources are appropriately placed?

Ms. BROWNER. You're right in that we do have performance indicators in some areas. What I believe we need to do is have more performance indicators, and that we need to have a strategic planning process that integrates available resources with the environmental goals of the agency and the priorities in terms of the health risks that the American public is put at. We have to bring all this together and, quite frankly, we have not done a particularly good job of that integration.

Senator BAUCUS. Does your agency have any present programs with reasonably good indicators?

Ms. BROWNER. Superfund. And, under the Chief Financial Officer Act, we do develop performance indicators.

If you want, we would be more than happy to provide you with a list of those particular indicators.

Senator BAUCUS. Some say that your agency is in receivership because you are under so many court orders. What about that? That is the impression.

Ms. BROWNER. That's a legitimate concern. We are under a significant number of court orders, a large number of them for failure to meet congressionally mandated deadlines, and others for perceived failure to implement statutes or to set standards in accordance with those statutes.

I quite frankly don't think it is a very good use of taxpayer resources when we end up in litigation over failure to meet statutory deadlines.

Senator BAUCUS. So what is the solution?

Ms. BROWNER. The solution is to get in front of this, and the solution is in the reauthorization process, to work with the committees to make sure that we can come to an agreement on deadlines within existing resources, or to increase resources to allow us to meet tighter deadlines.

Senator BAUCUS. Okay. Now, what percentage of the agency's budget is now addressed to court orders?

Ms. BROWNER. That is something that I have asked the staff to take a look at, and we are in the process of compiling that. We have to look at it program by program, so we don't have that answer.

Senator BAUCUS. What would be your best guess at this point? You've been there for three months now.

Ms. BROWNER. Air is probably the largest, and solid waste would also be high. The Air—AA is estimate roughly 20 percent of our resources right now go to dealing with litigation.

Senator BAUCUS. That's in Air? About 20-some percent?

Ms. BROWNER. And an equal amount in solid waste.

Senator BAUCUS. Do you have some kind of a work-out schedule? I mean, if you're under receivership, working out your past debts, in my analogy, do you have some date by which you plan to be out from under receivership?

Ms. BROWNER. What we have been attempting to do is look at those cases where we believe there is some opportunity to work with the parties in a more cooperative manner, in a nonadversarial or nonlegal manner, to see if we can come to an agreement on how we should proceed and what the priorities need to be.

What is happening right now with the litigation is that the litigation is effectively setting the priorities, because we get these court-imposed deadlines, and since none of us want to be in contempt—

Senator BAUCUS. I think therefore that you want to get out from under these court orders.

Ms. BROWNER. Exactly.

Senator BAUCUS. Well, I would like you to write me a schedule of dates by which you plan to be totally out from under these court orders.

Ms. BROWNER. We will attempt to answer that in as great detail as possible. (See p. 48.)

Ms. BROWNER. Some of that is based on the willingness of the parties suing us to work cooperatively with us.

Senator BAUCUS. I understand, but a lot of these deadlines are deadlines that Congress sets, in large part because the agency indicates that either they can meet the deadlines, or they do not voice any objections, and it turns out that the agency doesn't meet the deadlines.

Ms. BROWNER. Mr. Chairman, I can't speak to the commitments the agency made. But I can tell you that I will not give a commitment that I don't personally believe we can meet within existing resources.

Senator BAUCUS. I hope that's true. Thank you.

Senator Graham?

Senator GRAHAM. Thank you, Mr. Chairman.

I'd like to explore an issue of federalism. What do you see as the appropriate relationship among your agency and the Federal Government and the States, using as the prime object the Clean Water Act? What do you think should be the position over the next 5 to 10 years in terms of the relative financial responsibility of the Federal Government and the States for the financing of wastewater and clean drinking water facilities?

Ms. BROWNER. Senator, the President's Vision for America budget, which I believe is a four-year document, calls in the first year, this year, for \$1.2 billion for a new clean water SRF, moving up to \$2 billion in each of the following years.

The drinking water SRF begins at \$600 million in fiscal year 1994 and goes to \$1 billion in the following years.

Senator GRAHAM. And what is the policy or philosophical rationale for those levels of funding?

Ms. BROWNER. In the case of clean water, we do a needs assessment. We work with the States on an annual basis to determine the needs that exist, and we have a document which we would be more than happy to make available to you.

[The information referred to follows:]

INSERT FOR THE RECORD

NEEDS ASSESSMENT

SENATOR GRAHAM: And what is the policy or philosophical rationale for those levels of funding?

MS. BROWNER: In the case of clean water, we do a needs assessment. We work with the States on an annual basis to determine the needs that exist, and we have a document which we would be more than happy to make available to you.

Attached is a copy of the biennial 1990 Needs Survey for your use. The 1992 Needs Survey is not yet final, but we have attached the schedule for its completion. We are also providing Tables I and II of the draft 1992 Needs Survey for your information. Data from these tables have been used to respond to previous requests for needs assessment.

We are scheduled to distribute the final Needs Survey by the end of the fiscal year. It is Office of Water's policy to brief congressional staff when a Needs Survey is published. We will be happy to arrange a briefing for Senator Graham's staff at that time.

SCHEDULE FOR 1992 NEEDS SURVEY

Mid June Approval to send to OMB - Report to Congress on
1992 Needs Survey (Significant/Final) 9 / 3 0 / 9 3
Target

Late July Signature on Report to Congress on 1992 Needs
Survey (Significant/Final) 9/30/93 Target

The 1992 Needs Survey will be available for distribution by the end of the fiscal year.

June 2, 1993

Ms. BROWNER. We have made some estimates on the drinking water side. We do not undertake the same level of analysis; we have not historically done that, although that is certainly something that we think will be very important for us to do. In fact, we have been thinking that perhaps one year we would do drinking water and the next year we would do clean water, and we would flip-flop back and forth in terms of doing that sort of analysis with the States so that we could provide the Congress with the information.

Senator GRAHAM. We have been historically involved, first with a Federal grant program and in the last few years with a revolving loan program. In this period, in which the Federal Government is facing such severe fiscal constraints and the desire to dramatically reduce the Federal budget deficit, what is the contemporary rationale beyond just the fact that historically we have had such a Federal financial assistance program, for its continuation?

Ms. BROWNER. If I could say two things.

First, I think the revolving funds offer States the appropriate flexibility to administer the program within their States to address their concerns. I know from my experience in our States that we felt that the revolving fund was a very valuable tool in terms of reaching out to the communities across the State to provide them with resources to meet the challenges that they face in terms of clean water protections, wastewater treatment, etc.

Second, as we are all aware, there are large numbers of Federal regulations in which the States participate in helping us meet. It is important for us, as the Federal Government, to be a partner in those activities in meeting those standards and the conditions that are set by the regulations. The SRFs provide us with that opportunity.

Finally, the only way we are going to achieve the level of protections that we need, that the public wants, is through a partnership among Federal, State, and local government. State and local governments have a tremendous amount of resources, knowledge and experience that they bring to the table. I think the clean water SRF, as it was structured in the final years, was a very good partnership. It allowed for States to do what they thought was important, and allowed the Federal Government to meet the requirements that the Congress had deemed important. Generally, I think it was a successful relationship.

Senator GRAHAM. On the first rationale that you gave, which was that the Federal Government has imposed regulations and therefore there is some commensurate obligation to provide at least a portion of the financing, there are some who would take the position that unless there is significant—if not total—Federal financing of Federal mandates, those mandates should be discontinued. Is that a policy premise that influenced this budget?

Ms. BROWNER. It's certainly a premise that I'm very familiar with, since it is obviously a premise that is fairly important in Florida law. It is something that I think the President also shares, coming from a State that was dealing with—as all States are—increasing Federal mandates.

I think it is important, though, that this be a partnership, that the States also have to bring resources to the table, because there

has to be this shared commitment, this shared sense of responsibility if we're going to do the very best job that we can to ensure the success of these programs.

Senator GRAHAM. There have been some difficulties, some of which have been in the State of Florida and with which you are familiar, with managing that partnership. To mention a couple, one has been the fact that some local governments have held off taking actions that were in their own self-interest because they felt that if they acted prematurely, they would disadvantage their potential of getting some Federal funding.

A second situation is where local governments have been subjected to changing, and sometimes conflicting, regulatory standards over a period of time because of the multiplicity of Government agencies that were involved.

If we're going to have this partnership that will involve Federal as well as non-Federal funds, what ideas do you have as to how we can make that partnership work better?

Ms. BROWNER. I think you mentioned several. Clearly, there have been problems noted in the clean water SRF in terms of making sure that those dollars are readily available, and available in an accessible way to some communities.

Senator BAUCUS. If you could shorten your answer, Ms. Browner, because the time has expired and there are other Senators who wish to ask questions.

Ms. BROWNER. I apologize.

Those are the sort of things that I think we should look at, and that we are presently looking at, in terms of the clean water and drinking water SRFs that we will be bringing forward.

Senator BAUCUS. Okay, thank you.

Senator Boxer?

Senator BOXER. Thank you very much, Mr. Chairman.

Administrator Browner, the Clean Water Act State revolving loan allocation formula is based on needs and census data. It is my understanding that the agency is using 1977 census data. Is that correct?

Ms. BROWNER. That formula is set by statute. We don't make that decision. The Congress makes the decision in terms of the census data that is used.

Senator BOXER. Yes, and we will be reauthorizing the Clean Water Act. Will you come up with a recommendation that we move past the 1977 census?

Ms. BROWNER. We are working with the committee staff and looking at all of the issues raised in the reauthorization, and I would presume that's part of it.

Senator BOXER. I think we ought to use census data that makes sense. This is 1993. Are you going to recommend that we change?

Ms. BROWNER. We didn't make that decision.

Senator BOXER. We are going to be reauthorizing this act. Are you going to recommend to us that we use more updated census figures? Do you think we should use more updated census figures?

Ms. BROWNER. I think we should.

Senator BOXER. Thank you. That's good, because California has grown by 10 million people since 1977, and Florida and Texas have

grown enormously. This isn't a fair formula. So I think this is a crucial issue for us to look at.

We have had several witnesses come before the committee to speak about the disproportionate share of exposure borne by people of color or the economically less well-off segments of our society. I note in the fiscal year 1994 budget document that EPA has allocated the same level of funding for the Office of Environmental Equity in 1994 as in 1993.

Do you have a vision of what is to be done about the issue of environmental equity? Does it involve a more proactive stance on the part of EPA in health effects studies and rulemaking and technical assistance to empower local communities to better deal with environmental threats to their health? What is your vision about this office? Not so much the money, but what do you hope to do with this office?

Ms. BROWNER. I think you are exactly right, that there are people less fortunate in our society who have been asked to bear a greater amount of the burden associated with a number of environmental problems, and we are committed to addressing those concerns and to working with local communities in developing solutions. We have absolutely got to work with local communities. We are also committed to research to focus on the communities at greatest risk.

Senator BOXER. I hope you will take this very seriously, because I am finding a pathetic situation. Senator Chafee talked about the levels of lead in the inner city. We are losing a lot of children who are not living up to their potential, so I wanted to put my word in for that.

Let me get back to the Coastal Cities wastewater problem without pressing you more on that issue, because we will have to discuss it later. But in the meantime, we have a situation where the city of San Diego is trying to meet a court order. They've gotten approval for a lower cost alternative to the one that EPA has approved. I'm a little frustrated about this because as we see this Coastal Cities Wastewater Program go to zero—except for Boston, which I'm still concerned about—we don't seem to be able to get enough flexibility out of EPA.

I'm wondering, without your committing to any solution, would you designate someone on your staff who is a person with some sense of responsibility and authority to meet with me and those folks? Because I think we could save over a billion dollars and solve this problem, especially in light of the fact that they can't look to the Coastal Cities Program to help them through it. Would you be willing to give us a little time on that particular project?

Ms. BROWNER. Absolutely. We'd be more than happy to sit down with you.

Senator BOXER. Thank you very much, Mr. Chairman.

Senator BAUCUS. Thank you, Senator Boxer.

Senator Faircloth?

Senator FAIRCLOTH. Thank you, Mr. Chairman.

Ms. Browner, I have several questions that at first might appear not to be a big deal. I have been supportive of you and the EPA. I am sure you're aware that outside of Washington, North Carolina is the biggest facility you have, employing some 3,100 people, with

a \$350 million a year budget. So some of the things I want to talk about might be more of an image problem than a "massive amount of money" problem.

I think the American people have become very sensitive to Federal spending. They want to see the budget cut from Alpha to Omega, and they don't intend to skip the Iotas, and some of these might come under that.

There is in the plans, and I see more money going into it, the building of a new facility in Raleigh, a 625,000-square-foot facility. I ran for the Senate on cutting Federal spending. That included North Carolina, where it was possible.

The facility you are in is 20 years old. There is nothing to be gained, from a monetary standpoint, by building a new building. In view of the fact that we're borrowing over \$1 billion a day, to talk about a \$300 million facility, more or less—certainly it will cost that by the time you get moved in it and equipped, but you can take \$275 million or \$260 million, whatever figure you want—but anyway, to further put the country in debt with a new facility? Do you not think that's a bad idea?

Ms. BROWNER. I understand the concern you raise. You have to look at this in comparison to what it is costing us to lease 12 separate facilities over a 15-mile area in Research Triangle Park, and that is what we have done ever since we moved to Research Triangle Park.

What we are proposing is \$260 million to build a facility that, over a 30-year period, would result in a savings of \$1.4 billion because we wouldn't have the lease payments.

The other reason it is important that we construct this facility is to give us the space and the place to do the quality science that we want to do. Right now we are in places that were not built as labs, that were not built to do the sort of technological work that we need to do. We've sort of reconfigured things, and it has not been particularly successful. We believe that getting us a facility that is built to meet the needs of the agency, the scientific needs of the agency, in fact will be a very good investment of taxpayer dollars.

Senator FAIRCLOTH. Well, the figures you cite, the saving of \$1.4 billion, there's nothing to justify that. If you borrow the money—and of course, the only way the Federal Government gets money is to borrow it—you're going to have \$625 million in interest over 30 years, even at 6.75 percent interest, so you've got a wash at the end of the period.

But moving on from that, another thing that may be minor, EPA pays for part of the initiation fee for employees to join a health club. Why would we be doing that? Why don't they pay it out of their own money?

Ms. BROWNER. The Congress authorized Federal agencies to make facilities available to their employees. In certain locations we have a facility; in others, because it is not cost-effective, we subsidize. We do not fully cover the costs of these memberships. We help employees. The total cost to the agency—we employ over 17,000 people—of all of the fitness-related expenditures is \$1.3 million. I think it's a relatively small amount for the benefits that are derived. The employees are only allowed to use the facilities on their own time.

Senator FAIRCLOTH. All right. You say \$1.3 million, and in Federal Government language, that's practically not any money. But the idea is that the taxpayers are paying for a facility for people to exercise in. Now, in the private sector, that is a rare occurrence. We're taking the money out of people who work; I mean, all day, drive trucks, pack food, metalworking.

Would you join me in supporting an amendment to get rid of any Federal funding of health facilities?

Also, not in your department, as I understand it, but in many, many departments, they give time off, two and a half to three hours a week to exercise.

Would you join me in supporting that as a way of indicating that we are determined to cut spending and be more sensitive to what the public believes?

Ms. BROWNER. Senator, I certainly understand your concern and the public's concern. I have to tell you that I think the \$1.3 million is extremely well spent. The most important thing in doing the job that the public asks us to do is to make sure that our employees are fit, that they are psychologically prepared, and I think this is a relatively small expenditure for 17,000 people to have access to workout facilities on their own time.

Again, they do have to contribute at those locations where we do not have our own facility.

Senator FAIRCLOTH. Ms. Browner, if you have people in EPA that need to be coaxed and bribed into exercising and looking after themselves, you've hired the wrong type of people. People who are determined are quite capable of exercising and looking after themselves without an inducement and bribery by the Federal Government.

Senator BAUCUS. Thank you, Senator.

Senator Lautenberg?

Senator LAUTENBERG. I'll try to be uncustomarily brief.

I welcome the Administrator here. We've had a chance to examine these issues in the Appropriations Committee, and therefore I will avoid some of the same things we talked about.

I'm glad to see you. I am delighted to see that the programs are moving along quite well. Once we get our budgetary structure into form, decisions about the stimulus package, etc.—and I understand questions were raised about what happens to the funds that were essentially reserved for the stimulus package, and since that is no longer going to be there, I want to align myself with those who encourage you and the department to put those funds especially into sewage treatment. That's so important.

I wonder what you would be doing in terms of the new landfill standards. You have agreed to extend the date for new standards for compliance to October of this year. I wonder if you could tell me what you have decided to do in terms of developing those standards, and when the changes that you intend to make can be made.

Ms. BROWNER. Senator, what I committed to do was to look on an expedited basis at what we could do administratively to address the concerns that are being raised by a large number of municipalities. We have not formulated a final proposal on that, and in fact wanted to work with the committee staff in preparation of such a proposal.

We have said that we recognize there is a concern. We believe there may be some flexibility administratively to address the concerns that have been raised, but we have not formulated a final recommendation.

Senator LAUTENBERG. However, that would be done before October?

Ms. BROWNER. That would be meaningful, right. We recognize that if we can't move quickly, then the October date is upon us.

Senator LAUTENBERG. Okay.

We have a problem in our port area with dioxins. There was funding for research on the disposition of these materials. You and I have discussed the need to develop environmentally appropriate disposal methods for sediment dredged from our Nation's ports.

Last year, at the request of both the environmental community and the port, I worked to provide EPA with \$2.7 million for sediment decontamination research. New tools for that process should help us avoid future problems in port dredging against the clean environment.

I know there was some concern that the budget does not provide funding to continue this work. Do you think that we need to explore the opportunities for a sediment decontamination program? Are you willing to consider that EPA should continue this activity?

Ms. BROWNER. We do intend to continue our work in this area. The issue you raise is a very important one. It is an issue that confronts a number of ports around the country.

Next week we will undertake a meeting of our regional staffs in Region II and Region IV with the ports that are experiencing the problems to see if we can develop a better way of dealing with these issues in the future than perhaps the experience that took place recently in the New Jersey situation.

Senator LAUTENBERG. Are you saying that you're looking for ways to deal with the interested parties? Or are we going to be doing the research that is essential, even before the decisions can be made?

Ms. BROWNER. We have a lot of ongoing research associated with the sediment issues and we could provide you with a report on that.

Senator LAUTENBERG. Okay.

[The information referred to follows:]

INSERT FOR THE RECORD

SEDIMENT DECONTAMINATION RESEARCH

SENATOR LAUTENBERG: Are you saying that you're looking for ways to deal with the interested parties? Or are we going to be doing the research that is essential, even before the decisions can be made:

MS. BROWNER: We have a lot of ongoing research associated with the sediment issues and we could provide you with a report on that.

SENATOR LAUTENBERG: Okay.

The \$2.7 million Congressional Add-on we received in FY 1993 is being used to investigate decontamination of sediments in the New York-New Jersey Harbor. A variety of technologies are being assessed for their effectiveness in removing mercury, PCBs and dioxin from these coastal sediments. The results of these studies will be available over the next 2 years. Moreover, EPA will continue to develop standard sediment bioassays using marine, estuarine, and freshwater species. These bioassays are needed to identify and assess contaminated sediment hotspots (within New York - New Jersey Harbor) and at other coastal sites in the United States. EPA will also encourage the transfer and application of sediment decontamination technologies demonstrated on a pilot scale in the Great Lakes Assessment and Remediation of Contaminated Sediment (ARCS) program. In addition, EPA will continue gathering existing data to develop a national inventory of contaminated sediment sites as required by the Water Resources Development Act of 1992. Once the results of the studies conducted with the \$2.7 million are available, the Agency will evaluate whether we need to commit additional funds to continue this activity.

Senator LAUTENBERG. Will there be funding provided in your budget to do that?

Ms. BROWNER. We believe that the \$2.7 million you made available to us last year will last through fiscal year 1994, that we will be able to continue our activities as you anticipated.

Senator LAUTENBERG. All right.

One last thing. I am developing legislation to charge EPA with providing assistance to American companies to expand exports of environmental goods, services, and technologies. When I was in Rio with my colleagues here and with now-Vice President Gore, we were impressed by the opportunities presented by the U.S. technological leadership in this area.

Do you support efforts to increase EPA's role in encouraging these aspects of environmental technology?

Ms. BROWNER. Absolutely. We believe there is a tremendous opportunity for American businesses.

Senator LAUTENBERG. Great. I will count on you to work with me, and I thank you very much.

Thank you very much, Mr. Chairman.

Senator BAUCUS. Senator Chafee?

Senator CHAFEE. Thank you, Mr. Chairman.

First, Madam Administrator, I want to congratulate you for the increased funds you are putting into nonpoint source pollution. As we recognize—and I guess sometimes it isn't fully appreciated—over 50 percent of the pollution in our lakes and rivers and streams comes from nonpoint source pollution. This is a tough matter to handle, as you well know. It involves getting the States interested and concerned and prepared to do something about it. I assume that these are matching grants out to the States.

Second, Senator Lautenberg mentioned helping with the technology, and we're all for that. But I must say, I wasn't clear on your opening statement. Did I understand that you are putting \$16 million into this? On page 4, "identified in the administration's investment package to identify high-priority environmental technological needs." What's that all about?

I think we ought to exploit this, but I'm not sure that yours is the organization to do it. In other words, isn't this in the jurisdiction of the Commerce Department? Are you out peddling creative products that the private sector has developed?

Ms. BROWNER. Senator, we work in conjunction with the Department of Commerce, with the Department of Energy, with the Department of Defense, and several others in terms of developing the technologies. Commerce is obviously the more appropriate agency in terms of making those technologies available to other countries. However, because of our international work with other countries we do have an awareness of the needs and the tremendous desire for these technologies.

But the most important thing we can do is work with our sister agencies, work with the private sector, the entrepreneurs out there who are part of these technology initiatives, to bring the technology to bear, to make sure that it achieves the standards that it is designed to achieve.

I think that the \$36 million that is included as part of the President's technology initiative in our budget, while not of the magni-

tude that some of the other agencies have, is a very important \$36 million.

Senator CHAFEE. We all agree on the theory. I'm just not sure how it works practically.

Let's say somebody develops a new type of scrubber, and your agency believes it is a very good one and thinks that there are international possibilities with it. Now, what happens?

Ms. BROWNER. The Department of Commerce has a program that involves 18 other agencies that would look for opportunities in terms of mass production of the technology and export opportunities.

We are involved on the development side. We are aware as new regulations come into being, where technologies are going to need to be developed. We work in the development aspect of it. We do not put a tremendous amount of time into the commercialization of these technologies.

Senator CHAFEE. Okay. So somebody comes to you. It's Westinghouse, and they think they've got something pretty good. Do you put money into it, in Westinghouse? I'm just not sure what happens.

Ms. BROWNER. No. We don't have a grants program, to the best of my knowledge, to individual companies. Some of the \$36 million is available to be combined with other agencies in their efforts, but the large portion of it, \$24 million, is in our research and development program.

Senator CHAFEE. Well, as I say, I was with Senator Lautenberg and Senator Baucus in Rio, and we met some of our American developers down there. It undoubtedly is a very fruitful potential market. I just find it very difficult to decide how the Federal Government chooses winners and losers among the companies that come to you.

Finally, let me just say that there has been some criticism about the so-called Green Lights Program. As I understand it, you are having a major increase in that. The concerns are that you are helping a series of Fortune 500 companies, and it ought to be in their own interests to do it themselves. What do you say about that?

Ms. BROWNER. I think that the Green Lights Program is another example of how we need to do things in the future in terms of working in partnership. In this instance, it's with the private sector. The amount of money that we actually spend with any individual company is not very significant when you look at the benefits that are reaped for the population as a whole: the clean air, the reduction in energy use.

We put in an awfully small amount to get back an awful lot, and I think there are tremendous needs out there and tremendous interests in having us work in this cooperative manner with American businesses.

Senator CHAFEE. Thank you.

Thank you, Mr. Chairman.

Senator BAUCUS. Thank you, Senator.

Ms. Browner, the cleanup bill for our Federal facilities, for DOD and Department of Energy, is about \$9 billion, something like that,

which is much larger than cleanup under the jurisdiction of the EPA.

What makes sense here? To what degree, in your honest judgment, should EPA be involved in cleanup at Department of Defense and Department of Energy sites? It just seems to me, right off the top, that EPA should be very directly involved so that there is some continuity, some consistency; otherwise, the major cleanup programs of this country are going to be outside your jurisdiction.

Ms. BROWNER. We do work with, and are increasing our partnerships with, the Department of Energy and the Department of Defense, associated with their cleanups.

I think that the base closures offer us at EPA and DOD an opportunity and a challenge. The challenge is to do the work in a timely manner so that these properties can be put back into use by the communities.

Senator BAUCUS. What is EPA's role?

Ms. BROWNER. Our role has got to be to make sure that we are doing the cleanups, that the cleanups are being done in a way that is constructive for the communities for the future use of the site. We also have a real opportunity here to try out new technologies, cleanup technologies, to see if we can help develop some new models for how we undertake these cleanups. We are very excited about that prospect.

But we do understand that we have a real responsibility here to get these cleanups done in a timely manner, to work in a coordinated manner.

Mr. Chairman, this is a scary situation in terms of the tremendous responsibility that we all face in the Federal Government to deal with these closures, but we are absolutely committed to being part of the team that solves the problem. In no way do we want, two or three years from now, to hear, "Well, it's because EPA couldn't make a decision" that something didn't happen. That is absolutely not going to be acceptable.

Senator BAUCUS. What is your understanding of the present relationship? What is the Defense Department's role and what is EPA's role?

Ms. BROWNER. Well, in terms of their relationship, it's an improving relationship.

Senator BAUCUS. Operationally, what happens?

Ms. BROWNER. We will work together to develop the cleanup plans.

Senator BAUCUS. Do you each have veto power over the other?

Ms. BROWNER. That may have been the historical nature of the relationship, but that is not a helpful relationship. We have got to be involved together on the front end. We can't just sit over there and wait for DOD to invest money in developing a solution and come in at the last minute and say, "The solution is unacceptable." So we are working right now with DOD to look at how to change the relationship, so that we are involved together on the front end.

We have responsibility to review the cleanup plans, to certify when the sites are clean, and to identify those parcels that are not contaminated. That's our structural responsibility. But the reality is that we are going to do the job, and we are going to do it by working together.

Senator BAUCUS. Your judgment is that the present arrangement is satisfactory? Or does it need improvement? If it needs improvement, what are your recommendations?

Ms. BROWNER. There need to be improvements. We are working right now through the interagency process, which is new between us and DOD at the level at which it now exists.

Senator BAUCUS. What needs to be improved?

Ms. BROWNER. How we come together on the front end.

Senator BAUCUS. Specifically. Not the conclusions, but more specifically, what needs to be improved?

Ms. BROWNER. The process of how we relate to each other. We need to move outside of the adversarial relationship that has existed in many instances.

Senator BAUCUS. How do you accomplish that?

Ms. BROWNER. By becoming involved together on a particular site at the front end.

I know that it sounds simple, but I really think that in many instances this is the solution, getting us together early on in the process rather than waiting until the process is completed.

Senator BAUCUS. You're the Administrator. It's not our job to administer. Hopefully, you're about to be the Secretary. I urge you to take a long, hard look at this and make an honest assessment as to whether the arrangement is satisfactory and appropriate for getting the job done on a very timely basis. If it isn't satisfactory, I very strongly urge you to do whatever you can within your own jurisdiction. If you need help from this committee, I very strongly urge you to tell us what help you think you need.

Ms. BROWNER. Absolutely.

Senator BAUCUS. Thank you.

Senator Boxer?

Senator BOXER. Mr. Chairman, I don't have any other questions. I really got a lot out of this debate.

I am very concerned about the military base cleanup. As I understand it, President Clinton has set up a new Assistant Secretary of Defense for Environmental Cleanup. Do you know if that person is in place at this time?

Ms. BROWNER. I am not aware.

Senator BOXER. Okay.

Well, Mr. Chairman, I think that President Clinton understands the problem here, that's why he has set up this new Under Secretary of Defense, to deal just with cleanup.

That, Administrator Browner, should make it a lot easier for you when you have a very top-level person who is an assistant to Secretary Aspin, to deal with this.

I was urging my chairman to take a leadership role on this committee in this area, because if you look at all the problems that we face, and it's going to take 24 years to clean up Superfund sites if we don't add any others, we've got to make the cleanup of military bases a separate and funded program out of the military. It's crucial that it be done right, because these bases need to be used for civilian purposes.

So I think, Mr. Chairman, that maybe you could consider, when we do have this Under Secretary for Environmental Cleanup in place in the Pentagon, maybe some type of joint hearing—

Senator BAUCUS. Well, we're scheduling a hearing on the 27th of this month on Federal facilities.

Senator BOXER. I wasn't aware. That's terrific.

Thank you, Mr. Chairman.

Thank you very much, Administrator Browner.

Senator BAUCUS. You have a very, very tough job ahead of you. I suspect it's even more difficult now than you first anticipated when you were approached for this job.

I have the utmost confidence that you and the present Administration will essentially solve these problems. We are fortunate that we have a President who engages problems. He doesn't shirk from problems; he deals with them head-on. Certainly, the Vice President is one who is likewise inclined, and I could tell that you are, too. Many of these problems are legacies of past years. Without casting any blame, they are upon us and we have to deal with them. They have not been dealt with as directly as they should have. You have the full cooperation of this committee in finding solutions to the problems we've all talked about. The budget problems are just the tip of the iceberg, frankly; there are deeper and underlying problems that are in some sense as great as the very severe budget problems that your agency faces.

But even though you have this committee's cooperation, I know that I and the committee can expect from you your very hard work in dedicating every ounce of energy at your command to solving these problems. When you do need help from this committee, let us know and we will deal with those requests appropriately.

But we have a big problem ahead of us, and I just urge you to dig into it and solve it so that a year, two years, three years from now, when we have a similar hearing on budget requests, we're not revisiting these problems; or if we are, we are noticing progress toward solutions.

Ms. BROWNER. Thank you, Mr. Chairman, and thank you for this opportunity to discuss these important issues today.

Senator BAUCUS. You can rest assured that a year from now I will be asking many of the same questions—

Ms. BROWNER. Good.

Senator BAUCUS. —and I will give tremendous praise to those areas where we see very definite progress. But where there is no progress, that will be dealt with, too.

Ms. BROWNER. Thank you.

Senator BAUCUS. Thank you very much for coming.

I would like inform all Senators that we have until 5:00 o'clock this afternoon to submit written questions for the Administrator to answer.

Senator BAUCUS. The hearing is adjourned.

[Whereupon, at 11:58 a.m., the committee was adjourned, to reconvene at the call of the Chair.]

[Administrator Browner's statement and replies to additional questions follow:]

STATEMENT OF CAROL M. BROWNER, ADMINISTRATOR
U.S. ENVIRONMENTAL PROTECTION AGENCY
SENATE ENVIRONMENT AND PUBLIC WORKS COMMITTEE
HEARING ON
THE PRESIDENT'S BUDGET REQUEST FOR 1994

Mr. Chairman and members of the Committee: I want to thank you for the opportunity to present the President's FY 1994 Request for the U.S. Environmental Protection Agency. As the new Administrator of EPA, I look forward to the excitement and challenge of working with the President, other Agencies, the Congress and the public to shape our Nation's environmental policies for the next four years.

Most important, I am looking forward to change. The American people voted for change last November, and we already have initiated substantial changes at EPA. This Administration is going to move the environment from the margins of national policy to center stage. The President's strong support for passage of the Cabinet status legislation and EPA's full participation on the new National Economic Council are just two indicators of the importance of the environment to the Clinton Administration.

At a time when the American people are demanding better government, more results for their tax dollars, and a smaller Federal budget deficit, President Clinton is proposing to address these issues with a new environmental agenda, better management of environmental programs, and increased Federal investments to protect public health and natural ecosystems.

Our FY 1994 Request promotes a new environmental agenda.

EPA's budget request for FY 1994 totals \$6.4 billion. This includes \$2.0 billion in the investment portion of the Administration's request. Viewed in the context of the Administration's overall FY 1994 budget -- a budget notable for its honesty, realism, and emphasis on deficit reduction -- this FY 1994 budget for EPA is an important measure of the President's commitment to the environment. This budget will allow us to begin making real changes and real progress in 1994 and beyond.

This proposed budget is only the first step in an ongoing reevaluation of EPA's priorities. I am initiating a comprehensive review of all EPA spending. This review will help us compare resource expenditures with national environmental priorities, as a basis for future budgeting efforts.

The proposed FY 1994 budget for EPA was shaped in large part by four broad goals: 1) increased assistance to state and local governments; 2) expansion of pollution prevention programs and several other key initiatives; 3) emphasis on ecosystem-wide protection; and 4) better management of public resources in all programs. EPA's proposed investments in these areas are a good indication of how this Administration intends to implement an agenda of change at EPA.

Assistance to State and Local Governments

This Administration believes very strongly that state and local governments are the front line of environmental protection. As the former head of Florida's Department of Environmental Regulation, I understand how state and local governments touch American lives. I also understand how environmental costs are stretching state and local budgets. Consequently, EPA's proposed FY 1994 budget includes several new initiatives, and increased levels of investment, that respond to state and local needs.

For example, to help protect the nation's drinking water, this budget proposes to invest \$599 million in 1994 (and \$1 billion annually from 1995 - 1997) to establish a Drinking Water State Revolving Fund. This fund would provide low-interest loans for the repair and improvement of existing drinking water systems. Many such systems across the country cannot afford the costs associated with the upgrading needed to meet national drinking water standards. The Administration will be submitting authorizing language for this new Drinking Water State Revolving Fund to the Congress in the near future.

In addition, EPA's FY 1994 budget proposes a new authorization for capitalizing Clean Water State Revolving Funds, for which EPA is requesting \$1.2 billion in 1994 (and \$2 billion annually from 1995 - 1997). This fund will provide low-interest financing

for projects, including traditional wastewater treatment projects as well as stormwater, combined sewer overflow projects, nonpoint source projects, and national estuaries protection. The Administration will be submitting authorizing language for this new Clean Water State Revolving Fund to the Congress shortly.

Besides proposing establishment of the Clean Water and Drinking Water State Revolving Funds, this proposed budget requests \$80 million for grants to reduce non-point source pollution in our Nation's water. This budget also proposes further investments in U.S.-Mexican border projects that not only protect the environment and public health along the border, but also demonstrate U.S. commitment to the North American Free Trade Agreement. For these activities we are requesting a total of \$150 million, including \$70 million for the International Wastewater Treatment Plant in Tijuana, \$60 million for the Texas and New Mexico colonias, and \$20 million for the design and planning of wastewater treatment plants for Nogales, AZ, Calexico, CA, and other places along the border.

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Pollution Prevention and Other Key Initiatives

We live in an enormously complex global ecosystem where "solving" one environmental problem through the use of end-of-pipe controls can, in many instances, create new ones. To complement tough enforcement policies, this Administration is committed to pollution prevention as the preferred alternative for environmental protection. This commitment is demonstrated by a number of programs including the proposed expansion of EPA's voluntary "Green Programs," which promote energy efficiency and reduce greenhouse gas emissions.

Moreover, EPA will integrate pollution prevention into all Agency programs and activities, both regulatory and non-regulatory, thus meeting the mandates of the 1990 Pollution Prevention Act. In 1994 EPA will target a number of high-risk problems using both voluntary and regulatory approaches, including pollution prevention. I also am committed to fostering more widespread use of market forces to prevent or reduce environmental risk and encourage innovative technologies.

In 1994 the Agency will expand its pollution prevention efforts by: incorporating pollution prevention into the Agency's regulatory and permitting framework; increasing support for state and local government use of pollution prevention; expanding collaborative programs with industry in areas such as toxic releases, energy conservation, and water conservation; creating government/industry partnerships in the development of pollution prevention technologies; and promoting pollution prevention in the activities of other Federal agencies.

Besides broadening EPA's pollution prevention efforts, this Administration intends to undertake several other key initiatives. For example, in order to fulfill mandates of the Residential Lead Based Paint Hazard Reduction Act of 1992, the Agency is expanding its lead hazard abatement program in conjunction with other Federal agencies, to provide technical support to state and local officials and lead abatement contractors. In addition, in FY 1994 we will strengthen our scientific capabilities by improving our health and ecological risk research, replacing obsolete laboratory equipment, and upgrading some of our most outdated facilities. Finally, EPA will use \$36 million identified in the Administration's investment package to identify high-priority environmental technology needs and then harness the creativity of people in Federal agencies, universities, and the private sector to meet them.

Ecosystem-wide Protection

One fundamental change at EPA must be an increased focus on ecosystem-wide protection of bioresources. Because this country must compete within an international economic market, our long-term economic well-being is dependent on managing our bioresources within ecological systems that are sustainable over the long term.

EPA's approach to ecosystem protection will include four basic elements: (1) transforming Agency culture to emphasize ecosystems; (2) assisting state and local leaders to protect specific ecosystems throughout the country; (3) improving the scientific

tools needed to protect ecosystems; and (4) initiating new geographically-defined programs that emphasize pollution prevention, multi-media enforcement, research, and education.

We cannot protect the health and long-term productivity of any species, including humans, unless we protect the entire ecosystem on which they are dependent. In addition to traditional rural and agricultural activities, our ecosystem approach includes many urban/suburban programs, such as controlling wet weather runoff through stormwater control, combined sewer overflow, and restoration of riparian habitat along creeks and streams in urban areas. Currently underway in Seattle, Atlanta and Baltimore are urban comparative risk projects designed to identify credible and realistic environmental action plans. Similar projects are expected for Jackson, MS and Cleveland.

Some of the proposed FY 1994 investments I've already discussed will help us protect ecosystems. Financial assistance to state governments for wastewater treatment plants, and stormwater, nonpoint source and Combined Sewer Overflow controls will help protect the watersheds where they are applied. Pollution prevention can be a powerful tool when targeted at specific ecosystems.

EPA will also look at ways of developing and implementing an ecosystem protection strategy that links all relevant Agency programs. The great water bodies are a prime example of this type of approach. The Great Lakes represents on our most intensive effort to institute a multi-media, ecosystem approach to environmental protection. In our five-year strategy for the Great Lakes, we are incorporating pollution prevention measures as well as pollution control measures to improve overall habitat quality. In the Chesapeake Bay, we are continuing our efforts to reduce nutrient and toxic loadings from all sources and to target Federal facilities and significant noncompliers for multi-media enforcement investigations. The ecosystem protection strategy also will entail better coordination with state and local pollution control authorities, non-government organizations, and private citizens.

Better Management of Public Resources

Of all the changes that this FY 1994 budget proposes, the most significant may be the changes proposed in the way the Agency manages its daily business. My goal is very clear. EPA must operate as a model in terms of its overall management and, in particular, its basic fiscal practices. Financial integrity, sound contract management, and streamlined administrative procedures all go hand in hand, and all are critical to fulfilling our environmental mission while using the taxpayers' resources wisely. Significant steps have been taken in recent years, but much remains to be done.

Some of the benefits of better management can be seen in EPA's Superfund program. The proposed FY 1994 budget for Superfund, totaling \$1.5 billion, demonstrates the Administration's strong commitment to protecting human health and the environment through site clean-ups. At the same time, this level of funding represents a decrease of \$89 million in budget authority from 1993. At current rates of private party funding, we do not anticipate a decrease in the pace of site cleanups. In addition, administrative improvements and streamlining will help us maximize site cleanups while minimizing overhead and transaction costs. In short, I believe this Administration's goals of environmental protection and deficit reduction can be achieved simultaneously, and EPA's proposed Superfund budget for FY 1994 is a good example.

Resource management problems are among the most critical issues I will face at EPA over the next four years. I will work to ensure optimum management of all extramural activities, and I will develop a rigorous system of management accountability. I am hopeful that EPA soon will be able to announce important system improvements in this area, such as in the Integrated Contracts Management System.

In formulating this proposed FY 1994 budget, EPA recognized environmental needs as well as the Administration's efforts to trim the budget deficit. To this end, we have proposed significant savings through workforce reductions, elimination of the Federal pay raise in 1994, program streamlining and reduced administrative costs..

Conclusion

This is an exciting time in the field of environmental protection. However, this is also a time of difficult choices. It is critical that this new Administration move ahead to improve the health of our people and our natural ecosystems. We will continue to support new environmental initiatives in a variety of areas.

We are committed to the idea that a strong economy and enhanced environmental protection are not contrary goals. To attain these goals, we must shatter the false choices between environmental protection and economic growth by creating market-based environmental protection strategies that reward conservation and "green" business practices while penalizing polluters. We also must use our presence as an international political and economic leader to advance our national interests in a healthier global environment.

The new Clinton Administration has a great deal of work to do in the environmental arena. I look forward to working with the President, his Cabinet, Congress, my dedicated workforce at EPA, state and local governments, and all the American people in solving our environmental problems. We must rethink our national environmental policies in the context of change -- the change articulated by President Clinton and Vice President Gore, the change demanded by the American people. The EPA budget proposed for FY 1994 is a good first step.

QUESTIONS FROM SENATOR BAUCUS

EPA RECEIVERSHIP

QUESTION: How many projects are operated by court order?

ANSWER: The following drinking water regulations are under court order: Radionuclides, Arsenic, Aldicarb, Sulfate, Fluoride, Ground Water Disinfection, Disinfection By-Products (Phase VIA), the Synthetic Organic and Inorganic Contaminants (Phase VIB) and the Enhanced Surface Water Treatment Rule. The Office of Science and Technology currently has 19 regulations/projects under court order. The Office of Wetlands, Oceans and Watersheds has five projects that are under court order.

QUESTION: How many dollars and FTEs are essentially managed in response to court orders?

ANSWER: In FY 1993, a total of 147.7 FTEs and \$16,450,000 dollars will be spent by the Office of Water. For the drinking water regulations under court order, in FY 1993, a total of 49.6 FTEs and \$2,390,000 dollars will be spent. This includes 7.6 FTEs and \$745,000 from the Office of Science and Technology. The Office of Science and Technology estimates a total of 94 FTEs and \$13,960,000 of our resources are associated with managing court orders. The Office of Wetlands, Oceans and Watersheds estimates 4.1 FTEs and \$100,000 will be spent in FY 1993.

QUESTION: For each project, please provide:

- 1) a brief description of each project;
- 2) when they were first mandated;
- 3) the current status;
- 4) the amount spent on each project;
- 5) the court ordered deadline and the anticipated completion date.

ANSWER: The 1986 Amendments to the Safe Drinking Water Act (SDWA) mandate EPA to set standards for 83 contaminants. Among these contaminants are: Radionuclides; Arsenic; Aldicarb; Sulfate; and Fluoride. The 1986 Amendments to SDWA also mandate EPA to establish standards for an additional 25 contaminants every three years. Disinfection By-products and the Phase VIB contaminants represent those contaminants selected for regulation from the first Drinking Water Priority List.

The Agency is developing a regulation on Radionuclides to protect public health. The original statutory deadline for promulgation of this rule was June 1989, but that was delayed. The current status is that the rule on Radionuclides was proposed in July 1991 and is under court order to be promulgated by October 1993. Promulgation of the rule is on schedule. 6.2 FTEs and \$585,000 dollars will be spent in FY 1993 on this rule. The court ordered deadline for promulgation of this rule is October 1993 which is also the completion date.

The Agency is reviewing the standard for Arsenic. The original statutory deadline for promulgation of this standard was June 1989. The current status is that new data on internal cancer study published in September 1992 is being reviewed and the regulation on Arsenic is under court order to be proposed by September 1994. Proposal of the rule is on schedule. 3.8 FTEs and \$43,000 dollars will be spent in FY 1993 on this rule. The court ordered deadline is for proposal of the rule by September 1994. The currently scheduled date, but not court ordered, for promulgation of the final rule is September 1996 which is also the completion date.

The Agency is repropounding the standard for Aldicarb. The original statutory deadline for promulgation of the standard was June 1988. The current status is that the standard on Aldicarb is under court order to be repropounded by December 1993. Proposal of the rule is on schedule. 2.3 FTEs and \$100,000 dollars will be spent in FY 1993 on this rule. The court ordered deadline is for proposal of the rule by December 1993. The currently scheduled date, but not under court order, for promulgation of the final rule is December 1995 which is also the completion date.

The Agency is developing a standard for Sulfate to protect public health. The original statutory deadline for promulgation of the standard was June 1989. The current status is that the regulation on Sulfate is under court order to be proposed by October 1993. Proposal of the rule is on schedule. 4.5 FTEs and \$98,000 dollars will be spent in FY 1993 on this rule. The court ordered deadline for promulgation of the final rule is December 1994 and this is also the completion date.

The 1986 Amendments to the SDWA mandate EPA to review each rule every three years following the effective date of the rule. The Fluoride rule was promulgated in April 1986. The current status is that the Agency is also under court order to review the standard on Fluoride and revise it, if necessary. The National Acade-

my of Sciences is reviewing all studies on health risk and benefits of Fluoride. Should the National Academy of Sciences review of the health basis of the current fluoride standard warrant it, we will begin work on a proposed rule to revise that standard. EPA expects to spend 0.9 FTEs and \$120,000 dollars in FY 1993 on this rule. The court ordered deadline is for EPA to propose revisions to the standard, if needed, within ten months after receipt of the NAS report.

The 1986 Amendments to SDWA mandate EPA to establish treatment technique requirements for disinfection of ground water. The Agency is developing a regulation on Ground Water Disinfection to protect the public health. The original statutory deadline for promulgation of this rule was June 1989. The current status is that the regulation on Ground Water Disinfection is under court order to be proposed by August 1994. Proposal of the rule is on schedule. 6.2FTEs and \$198,000 dollars will be spent in FY 1993 on this rule. The court ordered deadline is for proposal of the rule by August 1994. The currently scheduled date, but not under court order, for promulgation of the final rule is August 1996 which is also the completion date.

The Agency is developing a regulation on Disinfection Byproducts to protect the public health. The original statutory deadline for promulgation of this rule was January 1991. The current status is that the regulation on Disinfection By-Products (Phase VIA) is under court order to be proposed by June 1993. EPA is involved in a regulatory negotiation and is seeking an extension of this deadline to December 1993. 13.1 FTEs and \$891,000 dollars will be spent in FY 1993 on this rule. The currently scheduled date, but not court ordered, for promulgation of the final rule is June 1996 which is also the completion date.

The Agency is developing a regulation on selected Synthetic Organic and Inorganic contaminants (Phase VIB). These contaminants together with the Disinfection By-products are mandated by the requirement to establish standards for an additional 25 contaminants every three years. The original statutory deadline for promulgation of this rule was January 1991. The current status is that the rule is under court order to be proposed by June 1993. EPA is seeking an extension of this deadline to December 1993. 9.7 FTEs and \$295,000 dollars will be spent in FY 1993 on this rule. The currently scheduled date, but not court ordered, for promulgation of the final rule is June 1996 which is also the completion date.

The Agency is developing a regulation on Enhanced Surface Water Treatment in conjunction with the Disinfection By-products rule to protect the public health. The original statutory deadline for this rule is the same as for the Disinfection By-products rule, that is January 1991. The current status is that the regulation on Enhanced Surface Water Treatment is indirectly under court order, because it is associated with the Disinfection By-products rule. The court order requires the rule be proposed by June 1993. EPA is seeking an extension of this deadline to December 1993. 2.9 FTEs and \$60,000 dollars will be spent in FY 1993 on this rule. The currently scheduled date, but not under court order, for promulgation of the final rule is June 1996, which is also the completion date.

Sewage Sludge Regulations: In Section 405(d) of the 1977 Clean Water Act (CWA), Congress directed EPA to comprehensively regulate the use and disposal of sewage sludge. In the 1987 Water Quality Act amendments to the CWA, Congress reaffirmed its mandate for the Agency to develop comprehensive sewage sludge regulations and set forth stringent deadlines. The amendments expanded the provisions of Section 405(d) to include requirements that: (1) by August 31, 1987, EPA promulgate regulations specifying acceptable management practices and establishing numeric limits that "shall be adequate to protect public health and the environment from any reasonably anticipated adverse effects of each pollutant"; and (2) by July 31, 1987, EPA identify those toxic pollutants not identified in the regulations promulgated on August 31, 1987, and promulgate regulations for those toxic pollutants by June 15, 1988.

On July 20, 1990, a citizens group sued in Oregon, U.S. District Court to force promulgation of the Part 503 rule (*Gearhart v. Reilly*, Civil No. 89-6266-HO). The lawsuit challenged EPA's failure to comply with statutory deadlines required under Section 405(d) (2) (A).

On September 5, 1990, the Oregon, U.S. District Court entered a consent decree in which EPA committed to promulgate "Round One" Part 503 regulations on December 16, 1991 (later amended to July 31, 1992, and then to November 23, 1992). The "Round One" regulations were promulgated on Wednesday, November 25, 1992, and published in the *Federal Register* on Friday, February 19, 1993 (58 FR 9248).

In the consent decree, EPA also agreed to identify potential pollutants for regulation and to submit a schedule for proposal and final promulgation of "Round Two" regulations on May 24, 1993. In addition, in the final "Round One" rule, EPA committed to undertake a monitoring field study as part of its future Part 503 rule-

making effort, and to evaluate data submitted by the public on its numerical criteria for cadmium. Activities committed to or litigation resulting from the "Round One" regulation influenced the timing for the "Round Two" rule-making.

On May 24, 1993, EPA submitted to the Oregon Court the schedule and list of pollutants for the "Round Two" rule-making. The schedule requires EPA to propose the "Round Two" regulations by December 31, 1999, after completing a 3-year ecological field monitoring study, and to promulgate a final rule by December 31, 2001. Approximately 30 pollutants will be listed for the Court. Among the pollutants to be evaluated in "Round Two" are dioxins and co-planar PCBs. The Agency is now designing the ecological field monitoring study and plans to begin the study in the spring of fiscal year 1994. It is expected that NRDC will challenge the "Round Two" schedule to force an earlier proposal and promulgation deadline.

To date, an estimated 44 FTEs and \$2,950,000 have been spent on the sewage sludge regulations.

Effluent Guidelines: Under Section 304(m) of the CWA, EPA is required to publish a biennial plan to identify dischargers of toxic and nonconventional pollutants and establish schedules for promulgating effluent guidelines. The Agency was sued by NRDC on the plan and a consent decree was issued in January 1992 which require EPA to develop effluent limitations for 19 industrial categories between 1992 and 2003. Two other Consent Decrees that impose deadlines on the Effluent Guidelines program are: (1) another suit with NRDC covering Offshore Oil and Gas, and (2) a suit with Environmental Defense Fund and National Wildlife Federation covering the Pulp and Paper Industry.

At the current time, EPA has promulgated two of the 21 projects (Offshore Oil and Gas and remand issues on the OCPSF regulation). Work continues on ten others: Pesticide Manufacturing, Pulp, Paper and Paperboard, Pesticide Formulating and Packaging, Waste Treatment: Phase I and II, Pharmaceuticals, Metal Products and Machinery, Phase I, Coastal Oil and Gas, Industrial Laundries, and Transportation Equipment Cleaning. The remaining nine rules will begin between 1996 and 1999. All rules will be complete by 2003.

To date, a total of 177.0 FTEs and \$34,700,000 have been spent on these effluent guidelines court orders.

Great Lakes Water Quality Guidance: The Agency is developing a proposed and final regulation, the Water Quality Guidance for the Great Lakes System, that will establish minimum water quality standards, anti-degradation policies, and implementation procedures for waters of the Great Lakes system.

The project was mandated by the Great Lakes Critical Programs Act of 1990, November 16, 1990. A suit was filed by the National Wildlife Federation on October 20, 1992 regarding EPA's failure to publish proposed and final Guidance by the statutory dates. An Order was issued by U.S. District Court on December 18, 1992, requiring publication of proposed Guidance by April 16, 1993, and a subsequent report to the Court regarding publication of the final rule.

The proposed Guidance was published on April 16, 1993, in compliance with the Court Order. Litigation regarding the schedule for publication of the final Guidance is pending.

To date, a total of 20.9 FTEs and \$800,000 have been spent on these regulations. Litigation concerning deadline for publication of final Guidance is pending.

Water Quality Standards Toxics Rule: This rule will establish numeric water quality criteria for toxic pollutants for the 12 States and 2 Territories that failed to comply with the requirements of Clean Water Act Section 303(c)(2)(B). It was first mandated by the Water Quality Act of 1987.

The Federal standards became effective on February 5, 1993 and are now being challenged in five separate lawsuits. To date, a total of 23.3 FTEs and \$11,600 have been spent on this rule.

San Francisco Bay-Delta Water Quality Standards: In September 1991, EPA disapproved portions of California's water quality standards for the Bay-Delta because they were not sufficient to protect the designated fish and wildlife uses of the estuary.

In the Clean Water Act, Section 303(c), there is a general requirement for States to review and revise their standards once every three years.

The Sierra Club Legal Defense Fund has sued EPA to force the Agency to initiate action to promulgate Federal standards. EPA has started the development of the proposed Federal rule on its own initiative. The lawsuit is pending. EPA anticipates publishing proposed Federal standards by the end of fiscal year 1993.

To date, the Agency has devoted a total of 1.3 FTEs on this project.

EPA Approval of Arizona Water Quality Standards: Arizona adopted water quality standards on March 18, 1992. EPA approved the portions of the standards deal-

ing with toxic pollutants but has not taken action on the remaining portion of the State's standards.

In the Clean Water Act, Section 303(c), there is a general requirement for States to review and revise their standards once every three years.

EPA is being sued by the Defenders of Wildlife to force EPA to either approve or disapprove the State standards, an action that is the initial step in potential Federal promulgation.

A complaint against EPA was received on April 20, 1993. The Agency has spent 0.3 FTE on this project to date.

EPA approval of Maryland and Virginia Water Quality Standards: EPA approved Maryland's water quality standards, including a limit on dioxin, on September 12, 1990. EPA approved the Virginia standard for dioxin on February 25, 1991.

In the Clean Water Act, Section 303(c), there is a general requirement for States to review and revise their standards once every three years.

EPA's action was upheld in the U.S. District Court in Virginia, and the plaintiffs, NRDC and the Environmental Defense Fund (EDF), have appealed the ruling to the U.S. Court of Appeals 4th Circuit.

Oral arguments on appeal is scheduled for June 9, 1993. To date, the Agency has spent 0.7 FTE on this project.

Oregon Total Maximum Daily Load (TMDL) Case: This case required EPA to develop 11 TMDLs and schedule additional TMDLs. This was first mandated in 1987. Currently there is threatened contempt action for allegedly failing to meet the order. Resources required for this case are 1.0 FTE in 1987 & 1988, and 1.0 FTE in FY 1993. The status is court retained jurisdiction.

Alaska TMDL Case: This case required completion of 11 assessments and EPA will be doing more TMDLs. This was first mandated in 1992 and is on schedule. Resources required for this case are 1.0 FTE in 1992 and 1.0 FTE in 1993. The status is court retained jurisdiction.

Washington TMDL Case: This case required a State-wide program plan and review of prior TMDLs. This was first mandated in 1992 and is on schedule. 55 TMDLs have been reviewed and 34 are pending. Resources required for this case are 0.5 FTE and \$100,000 in 1993. The status is court retained jurisdiction.

Lake Michigan TMDL Case: This case requires EPA to develop a list of Lake Michigan waters subject to Clean Water Act Section 303(d). This was first mandated in 1991 and is on schedule. Resources required for this case are very minimal, with 0.1 FTE in 1992 and 0.1 FTE in 1993. The status is court retained jurisdiction.

Tulloch Rulemaking: The Federal government agreed to settle a lawsuit brought by the North Carolina Wildlife Federation and the National Wildlife Federation (*North Carolina Wildlife Federation. et al. v. Tulloch*, Civil No. C90-713-CIV-5-B0 (E.D.N.C. 1992)) involving Clean Water Act (CWA) Section 404 as it pertains to certain activities in waters of the United States. In accordance with the settlement agreement, the Corps and EPA proposed changes to their regulations on June 16, 1992 to clarify that mechanized land clearing, ditching, channelization, and other excavation activities involve discharges of dredged material when performed in waters of the United States, and that these activities would be regulated under Section 404 of the CWA when they have or would have the effect of destroying or degrading waters of the United States, including wetlands. In addition, the Corps and EPA proposed to incorporate into the Section 404 regulations the substantive provisions of Corps Regulatory Guidance Letter 90-8 to clarify the circumstances under which the placement of pilings have the effect of "fill material" and is subject to regulation under Section 404. The Federal government agreed to settle the lawsuit on February 28, 1992. EPA is currently completing the final rule and preamble, and expect OMB review to begin the first week of June. Approximately 1.5 FTEs are being used on this project. The settlement agreement calls for submittal of the final rule to the Office of the Federal Register on June 11, 1993. EPA is working to meet this deadline.

QUESTIONS FROM SENATOR MOYNIHAN

NAPAP—QUESTION A

QUESTION: Where in EPA's FY 1994 budget is the request for funding to support the NAPAP Director's Office?

ANSWER: The Office of Research and Development has specifically set-aside resources for the National Acid Precipitation Assessment Program (NAPAP) Office of

the Director in the Acid Deposition planning issue, under the Acid Deposition program element (CC2A1E).

NAPAP—QUESTION B

QUESTION: How much support is requested? If less than \$2.9 million, please explain why the amount is different?

ANSWER: The Office of Research and Development (ORD) has requested \$950,000 in FY 1994 to support the National Acid Precipitation Assessment Program (NAPAP) Office of the Director.

The FY 1994 requested funding level is the result of the following historical budget changes:

- In FY 1992, the Agency proposed a reprogramming of \$2.9 million in AC&C for NAPAP, which was denied. The EPA's Appropriation Subcommittees felt that as the funding had already been turned down in conference, it should not be permitted as a reprogramming.
- In FY 1993, ORD increased its base contribution for NAPAP Office of the Director up to \$950,000, with a matching contribution from the Office of Air and Radiation (OAR). This increased support brought the Agency request up to the negotiated level of \$1,900,000 as agreed to and acknowledged by then Administrator Reilly.
- The FY 1993 Conference Report, however, further directed ORD to increase its contribution to \$1,450,000, with a matching contribution from OAR. ORD has redirected an additional \$500,000 from within the base program to meet the new directed funding level.
- In FY 1994, the Agency made a general decision not to sustain FY 1993 Congressional Add-Ons, thereby establishing a level playing field across the Agency's programs and to allow open dialog with Congress on the Agency's new direction. This decision brought ORD's contribution back down to its base funding level, and current FY 1994 request level, of \$950,000.

NAPAP—QUESTION C

QUESTION: Do you plan to maintain this level of funds for the NAPAP Office in future EPA budgets as part of the base program? If not, why?

ANSWER: The Office of Research and Development has already established a base funding level of \$950,000 for the NAPAP Office of the Director and plans to maintain this level of funding level for as long as needed in future EPA budgets as part of the base program.

QUESTIONS FROM SENATOR REID

SPILL TEST FACILITY #I-1

QUESTION: Section 901(b) of the Clean Air Act Amendments of 1990 mandated that EPA, along with the Department of Energy, carry out air toxics dispersion tests at the Liquefied Gaseous Fuels Spill Test Facility (LGFSTF). Congress allocated \$1,850,000 from your budget last year to carry out this Congressional mandate. What will be accomplished with the \$1.85 million appropriated for the current fiscal year?

ANSWER: In March 1993, a contract was awarded to the Desert Research Institute (DRI) to carry out an experimental and analytical research effort at the Liquefied Gaseous Fuels Spill Test Facility. The following are a list of major activities and anticipated accomplishments:

- A work group sponsored by the EPA convened during the summer of 1991 to address the mandates required under Title IX Section 103(f) of the Clean Air Act Amendments. The work group consisted of representatives from participating federal agencies, chemical research groups, and the private sector. The work group recommended carbon dioxide (CO₂) research be performed in July of 1993 and is completing design of the projects. The work group also recommended that chlorine be among the first chemicals to be tested at the site, and has begun the design of chlorine field experiments planned for July.
- An inventory was performed at the Spills Test Facility (STF) to determine equipment needs for experiments to be conducted. DRI is in the process of ordering all necessary hardware and equipment to carry out the designed experiments this summer.

- In July of 1993, several CO₂ experiments will be performed during periods of favorable atmospheric conditions. CO₂ represents an excellent surrogate for other more toxic dense gases because of its physical/chemical properties which make it safe to release over a much wider range of meteorological conditions. Chlorine field experiments will also be conducted to address source characterization and sensor response issues.
- In August 1993, the World Research Institute (WRI) will be sponsoring a annual forum where preliminary results of the field experiments will be presented.

SPILL TEST FACILITY #I-2

QUESTION: DOE requested approximately \$1.0 million for fiscal year 1994 to operate the LGFSTF. Why didn't EPA request any research funding for this effort?

ANSWER: ORD has undergone intense efforts to streamline its research program and has made tough decisions regarding the focus of the Agency's air toxics research program in light of increasing budget constraints and pressing environmental needs. ORD's concern with the air toxics problem places higher priority on other Clean Air Act Amendment (CAAA) requirements for air toxic studies. These priorities are reinforced by the fact that under the CAAA, industry bears the total responsibility for hazard assessment of accidental releases and has full access to the use of the Spills Testing Facility. In addition, the Agency made a general decision not to sustain FY 1993 Congressional Add-Ons" to establish a level playing field across the Agency's programs and allow for open dialog with Congress on the Agency's new direction.

SPILL TEST FACILITY #I-3

QUESTION: The Clean Air Act Amendments directs that analysis of a minimum of 10 chemicals per year be carried out and that two chemicals receive field testing. How does EPA plan to meet these legal requirements?

ANSWER: The Agency cannot meet all the legal requirements mandated in the Clean Air Act and its Amendments (CAAA) given existing budgetary constraints. In order to effectively manage these legal requirements, the Agency is forced to make difficult decisions in prioritizing its research efforts. While the Agency feels that air toxics dispersion research is important, it is not considered a priority research area and is not included in research plans after FY 1993. In addition, this research consumes roughly fifteen percent of the FY 1993 air toxics research budget, drawing limited resources away from higher priority CAAA mandated studies. These priorities are further reinforced by the fact that under the CAAA, industry bears the total responsibility for hazard assessment of accidental releases and has full access to the use of the Spills Testing Facility.

In FY 1993, the Agency selected carbon dioxide (CO₂) and chlorine for field testing largely because their properties as test chemicals (not their listing status or degree of hazard) lend themselves to learning the most about spill dispersion monitoring and modeling. The Agency will address whether additional chemicals or additional work will be high priority for annual analyses and field testing by: 1) analyzing (in FY 1994) the results of the FY 1993 research to decide what more needs to be learned about dispersion; and 2) determining whether this work should take precedence over other Clean Air Act Amendment (CAAA) mandated studies.

SPILL TEST FACILITY #I-4

QUESTION: In general, describe the EPA air toxics program.

ANSWER: Attached is a copy of the Office of Research and Development's issue strategy for air toxics research. This document provides general information on the nature of the air toxics problem, current research efforts, and both the goals and strategic directions for the Agency's air toxics research program.

AIR TOXICS

Nature of the Problem

The Science Advisory Board's report, *Reducing Risk*, identified air toxics as a major health risk and important ecological risk. The Environmental Protection Agency's Office of Research and Development and the Office of Air and Radiation (OAR) have conducted studies that identify stationary sources and urban air (stationary and mobile source emissions) as areas of concern in the issue of air toxics. The Clean Air Act Amendments of 1990 ("Amendments") require control actions for major and area sources, and research to address urban toxics and air toxics deposition to great waters. The statute also establishes a major program and "Chemical Safety Board" to address accidental releases. These regulatory activities require research to characterize health and ecological risk and develop better ways to measure, prevent and control emissions.

EPA's Research Goals

After consultation with OAR, ORD restructured the research program in FY 1991 to address the most promising areas for reducing risk. The goals are: 1) to provide source test methods to prevent and control technology so that maximum achievable control technology (MACT) regulations can go into effect in a timely manner; 2) to provide expert ORD consultation on hazard and risk decisions about the hazardous air pollutant list and hazard and risk ranking; 3) to conduct research on urban toxics and "Great Waters" deposition and development of OAR regulations; 4) to collect, analyze, and prepare the necessary health and ecological effects data, methods and assessments for (after-MACT) residual risk decisions, and special studies; 5) to support technical centers mandated under the statute; 6) to plan for research on air toxics effects and exposures; and 7) to conduct research on preventing accidental releases.

Status of Current Research Efforts

Major activities include: 1) development of source test methods, emissions factors techniques, and analysis of control and prevention technologies for MACT standards; 2) risk ranking methods; 3) urban air source speciation, monitoring, and chemistry and health research, and establishment of the Great Lakes monitoring network; 4) planning for data collection to support residual risk decisions and assessments of the health effects of hazardous air pollutants (this includes a study on

assessment methods by the National Academy of Sciences); 5) working with the Department of Energy (DOE) at their test facility to study the dispersion characteristics of accidental releases; and 6) research to improve toxics release estimation techniques for sources subject to provisions of the Amendments and SARA Title III.

Strategic Directions

For the next five years, we will continue efforts to develop source test methods and prevention and control technologies for MACT. Greater emphasis will be put on urban air and Great Waters research programs. We will also collect health and ecological effects data for residual risk decisions, analyze these data, and develop state-of-the-art assessment methods. Suggested areas for emphasis in FY 1993-97:

	Control Standards Technology Source Test Methods	Monitoring and Source Emissions Characterization	Health and Ecological Analysis	Accidental Release Prevention
10				
\$M 5				

Fiscal Years 1993-1997

The current base program emphasizes research necessary for MACT standards, the urban toxics program (area sources), Great Waters monitoring, and effects research. This base program supports short-term OAR needs for implementation of the Amendments but provides little support for Amendment activity after 1995.

Specific Topics to be Addressed by EPA

TECHNOLOGY

Research is needed to understand the control technologies for sources (including area sources) to be regulated in the four-, seven-, and ten-year MACT standards. Much of the early MACT work relies on technology research on large industries done in the 1970s and 1980s. Later MACT work will encounter sources with which we have much less experience.

SOURCE TEST METHODS

We should continue to develop test methods until they are in place for all MACT rules. EPA, as well other agencies, the states, and Canada, must continue field monitoring for the Great Waters and urban toxics strategies.

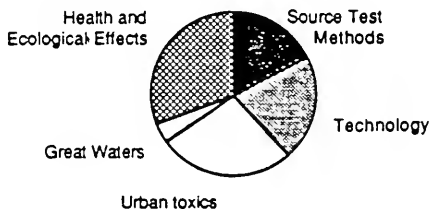
HEALTH AND ECOLOGICAL EFFECTS RESEARCH, URBAN TOXICS AND GREAT WATERS

Increasing emphasis is needed on data collection, research, and assessment to support residual risk decisions and the urban toxics study. Data and assessment support must be in place well before 1999 when residual risk decisions begin, in order to provide methods to make these decisions. We will need to conduct research in response to the National Academy of Sciences study to provide methods to make these decisions. The Great Waters study covers ecological and health effects. Research is also needed to study ecological impacts of air deposition.

ACCIDENTAL RELEASES

Although the international community recognizes the need for research on preventing accidental releases, ORD has no base program in this area. The Chemical Safety Board will define further research and technical needs after it is established in 1992.

Extramural Funding: Distribution by Topic for FY 1992



PRIORITIES FOR FUTURE DIRECTIONS

The highest priorities for future research are increasing support to MACT, the urban toxics strategy, and the Great Waters project. It also would support effects data collection and research for residual risk decisions.

SPILL TEST FACILITY #1-5

QUESTION: Is EPA developing a data base on dispersion characteristics of toxic materials to assist in evaluation and recovery efforts when they are accidentally released?

ANSWER: The Chemical Emergency Preparedness and Prevention Office (CEPPO) maintains a number of databases to support chemical accident prevention, preparedness and response activities. For example, the physical/chemical properties necessary for dispersion analyses of a number of chemicals are contained in a database associated with EPA's Computer Aided Management of Emergency Operations (CAMEO). The CAMEO system contains models that are used for chemical emergency planning and preparedness. The physical/chemical properties data is routinely updated and EPA expects to revise data or models as spill facility research results warrant. The CAMEO system also contains Response Information Data Sheets (RIDS) that contain chemical emergency information useful to first responders for evacuation and first aid. The information in RIDS is also available in the Chemical Profiles for the list of extremely hazardous substances compiled under the Emergency Planning and Community Right-to-Know Act (EPCRA), also known as SARA Title III. The Office of Research and Development (ORD) will collect and archive the data generated by research conducted at the spill site necessary for model development, improvement and validation. The data collected from field experiments will be provided to the public in an easily accessible format to encourage its use in emergency planning and preparedness.

QUESTION: Last week this subcommittee heard testimony from NOAA on its coastal resource coordination program that helps EPA identify environmental concerns early in the remedy selection process. Can you explain why funding for this program was cut in half this past December for this fiscal year and for the foreseeable future?

ANSWER: Both Congress and the administration have supported reductions in the Superfund program as part of the overall effort to reduce government spending. In this constrained environment, the Agency is seeking to maximize the number of dollars that directly support site cleanup actions. Cuts in 93 necessitated reducing support functions throughout the Superfund program. For purposes of context, it should be noted that the reductions taken against these Other Federal Agency budgets totalled only \$3 million out of a total EPA extramural reduction of over \$233 million.

QUESTION: Doesn't it make more sense to maintain funding levels for a program that has successfully reduced the costly damage assessment and litigation process and promoted restoration at Superfund sites that suffer from major environmental degradation?

ANSWER: The interagency agreements with Department of Commerce (NOAA) and Department of Interior are not related to their role as Natural Resource Trustees, but rather serve as a vehicle to access the technical expertise of NOAA and DOI to assist EPA in performing its functions under CERCLA. Given the resource constraints, the Agency's strategy has been to direct the greatest number of dollars to those functions that directly contribute to site cleanup work. It should be noted that NOAA's natural resource damage assessment work is funded from their own appropriation and not through the Superfund trust fund.

QUESTION: At a recent hearing before my Superfund subcommittee concerning the risks to human health and the environment present at Superfund sites, we heard from the Assistant Administrator of ATSDR that his agency's ability to adequately assess the potential risks to human health at Superfund sites and conduct health assessments has been constrained by budgetary limitations. Since we seem to need better information on the health effects of Superfund sites, can you explain why EPA believes it is appropriate to cut ATSDR's budget.

ANSWER: Both Congress and the administration have supported reductions in the Superfund program as part of the overall effort to reduce government spending. Bearing in mind strict budgetary limitations throughout the Superfund program, the Agency priority has been to maximize the number of dollars dedicated to direct site cleanup actions. The Agency believes the \$42.0 million provided in the President's budget is sufficient to support the required assistance from ATSDR.

TABLE 1
NEEDS FOR PUBLICLY OWNED WASTEWATER TREATMENT
FACILITIES AND OTHER ELIGIBILITIES
 (January 1992 Dollars in Billions)

NEEDS CATEGORY	TOTAL NEEDS
TITLE II ELIGIBILITIES	
I Secondary Treatment	31.3
II Advanced Treatment	15.5
IIIA Infiltration/Inflow Correction	2.8
IIIB Replacement/Rehabilitation	3.6
IVA New Collector Sewers	17.9
IVB New Interceptor Sewers	14.7
V Combined Sewer Overflows	41.2*
VI Storm Water (institutional source controls only)†	0.1*
TOTAL CATEGORIES I-VI	127.1
OTHER ELIGIBILITIES	
Nonpoint Source (agriculture and silviculture only)	8.8*
Ground Water, Estuaries, Wetlands	1.2
GRAND TOTAL	137.1

* Modeled needs.

† Includes SRF-eligible costs to develop and implement SW plans but not eligible structural and construction costs.

May 6, 1993

1992 Needs Survey

TABLE 2
SUMMARY OF DOCUMENTED NEEDS
 (January 1992 Dollars in Billions)

NEEDS CATEGORY	DOCUMENTED NEEDS
TITLE II ELIGIBILITIES	
I Secondary Treatment	31.3
II Advanced Treatment	15.5
IIIA Infiltration/Inflow Correction	2.8
IIIB Replacement/Rehabilitation	3.6
IVA New Collector Sewers	17.9
IVB New Interceptor Sewers	14.7
V Combined Sewer Overflows	22.4
VI Storm Water	1.8
CATEGORIES I-VI	110.0
OTHER ELIGIBILITIES	
Nonpoint Source	0.7
Ground Water, Estuaries, Wetlands	1.2
GRAND TOTAL	111.9

QUESTION: Can you explain the reasons for cutting funds available to the University-based research program carried out by the National Institute of Environmental Health Sciences (NIEHS) from the FY 93 appropriations level of about \$32 million to just under \$8 million for FY 94?

ANSWER: Both Congress and the administration have supported reductions in the Superfund program as part of the overall effort to reduce government spending. In this constrained environment, the Agency is seeking to maximize the number of dollars that directly support site cleanup actions. It should also be noted that generally, as a matter of policy, specific earmarks have not been retained in FY 94.

QUESTION: Can you describe what kinds of disruptive effects you have projected such a cut might have on the NIEHS research program, including the impacts on the numerous grants and ongoing projects involving over 300 scientists?

ANSWER: NIEHS estimates that the number of programs supported in 1994 will drop to 3 from the 18 that are estimated for 1993. Given the nature of this work and the desire to maximize site cleanup dollars while taking a reduction of more than \$30 million, the Agency could not justify maintaining the NIEHS research program at the \$32 million level. In this climate of streamlining government, it is not possible to fully protect all federal agencies that receive Superfund resources.

QUESTION: In the past, EPA has provided partial support through CERCLA for maintaining the National Response System under the NCP for both CERCLA and the Clean Water Act Section 311 program to respond to oil discharges and hazardous substances releases. Could you explain why in FY 93 EPA decided to cut funding to other agencies supporting the National Response System?

ANSWER: Both Congress and the administration have supported reductions in the Superfund program as part of the overall effort to reduce government spending. Bearing in mind strict budgetary limitations throughout the Superfund program, the Agency priority has been to maximize the number of dollars dedicated to direct site cleanup actions.

QUESTION: Has EPA analyzed what effect the elimination of this funding to support the National Response System will have on the Federal government's ability to respond effectively to a major oil spill or release of hazardous substances?

ANSWER: Direct response actions should not be effected, since CERCLA funds are provided via Interagency Agreements by EPA Regional Offices to other federal agencies whose resources are needed to support the response actions.

All 15 Federal Agencies which are members of the National Response Team (NRT) and 13 Regional Response Teams (RRTs) by Executive Order No. 12580 provide basic support (i.e., representation) from their own appropriations. The CERCLA interagency budget provides resources for additional staff support (by USCG, FEMA, OSHA, and DOI) to the detailed planning, preparedness, and coordination activities of the NRT and RRTs. FEMA, OSHA, and DOI have indicated there will be a diminution of this additional support by their agencies as a result of the reduced CERCLA funding.

QUESTION 1: What are your general views about the Environmental Monitoring and Assessment Program (EMAP)?

ANSWER: In response to the Agency's regulatory approach, current and past monitoring efforts have assessed whether a particular effluent complies with regulations or whether the specific resource component is achieving its desired use. Limited data is available to assess the effectiveness of our regulatory programs.

EPA is now attempting to focus its limited resources on the environmental problems that pose the greatest risk, as opposed to those receiving the greatest public attention. Since resources are limited, we can not afford to measure every individual pollutant or stressor, nor can we continue this one dimensional perspective. We need to select indicators of ecological condition. We must monitor the selected indicators of the environment that integrate the cumulative ecological effects of multiple natural and anthropogenic stresses upon our various environmental resources.

The EMAP is a high priority Agency program. Its' novel approach addresses these deficiencies and represents the new direction for the Agency.

EMAP is an innovative research, monitoring and assessment program designed to determine the condition of our nation's ecological resources. This will be accomplished by taking a holistic perspective of the environment, rather than the traditional investigation of one chemical or single site. EMAP's multi-media perspective assists in verifying the cumulative effectiveness of environmental policies, including past regulatory activities and in identifying emerging ecological problems. The principal goal of the program is to provide decision makers with sound data on which to base environmental risk management decisions.

EMAP's data provides the basis for determining associations between human-induced stresses and ecological condition. Using a probabilistic sampling design and ecological indicators, EMAP is assessing the condition of ecological resources. This approach facilitates consistent representations of ecological resources in all regions of the nation. The program is currently in the pilot and demonstration phases within specific regions of the country. When fully implemented, EMAP will provide comparable, high quality data and assessments on the condition of our nation's ecological resources.

Since funds are limited we seek to leverage our activities through other agencies. The EMAP is an interagency program conducted in partnership with 16 other Federal Agencies from several different Departments. In addition, EMAP is also integrated with the efforts of other EPA Offices, states, the scientific community and geographic initiatives such as Chesapeake Bay, Great Lakes, South Florida and the Gulf of Mexico. EMAP complements numerous other scientific studies by providing a scope, method or monitoring approach and uses the data from many other completed or ongoing research studies.

QUESTION 2: Originally, the EMAP program budget was scheduled to grow to \$100 million per year. Do you support this level of effort? If not, why not?

ANSWER: I do support more extensive implementation of EMAP as soon as priorities permit. EMAP, when fully implemented, has the potential to provide us with a quantitative description of the condition of our ecological resources. It is important that the program be expanded to provide a comprehensive baseline from which we can assess the effectiveness of environmental management decisions. Great care must also be taken to prioritize the work to be done, and to carefully select indicators, to maximize the benefits to the public of the information collected.

QUESTION 3: One component of the EMAP program is the arid lands program. What is the budget request for the arid lands program for FY 1994? What are the projected budget levels for the arid lands program in FY 1995 and FY 1996?

ANSWER: The FY 1994 budget request for the arid ecosystems program is \$1 million. At current EMAP funding levels, the FY 1995 and FY 1996 arid lands program will remain stable. In addition to these resource directly allocated to arid lands, a portion (about \$500K) of the \$14 million which is devoted to cross-cutting EMAP wide activities supports the arid lands program. This includes activities such as landscape characterization, statistical sampling design, information management activities, technology transfer and interagency coordination.

QUESTION 4: Regarding the arid lands program, please describe the joint activities of EPA and the Bureau of Land Management. Do you favor both receiving its own funding for the arid lands program?

ANSWER: EPA and BLM jointly monitor the ecological condition of arid ecosystems. The EMAP arid lands program measures the ecological condition of the arid, semi-arid and subhumid regions of the United States. The BLM is responsible for managing a substantial portion of these lands. BLM's emphasis in the arid lands program is on assessments of rangelands, such as, monitoring range condition of grazing allotments. EPA's efforts are less intensive but cover entire biogeographical provinces, such as the Great Basin or the Sonora Desert. The data and analyses collected by each agency fill voids and are complementary to one another.

BLM's support, to EMAP specifically, consists of assisting with developing environmental indicators, monitoring efforts and providing logistical support for implementation of EMAP objectives. BLM for example, has provided helicopter service, personnel and equipment to take sampling data.

I am in favor of BLM receiving its own funding for the EMAP arid ecosystems program to complement the EPA effort. This arrangement would be similar to the forest program, as both the Forest Service and EPA receive about \$3 million each for EMAP forests. This joint funding allows agencies to come to the table as partners, and through careful coordination, can result in a very effective interagency program.

QUESTIONS FROM SENATOR LIEBERMAN

QUESTION 1: I understand that EPA and the National Institute of Standards and Technology (NIST) have signed an "umbrella" agreement and have begun to work together to provide pollution prevention assistance to manufacturers through NIST's manufacturing technology centers. What level of resources do you expect to commit to this activity in fiscal year 1994?

ANSWER: EPA has not signed an "umbrella" agreement with NIST. However, the two agencies have had detailed discussions that may lead to an Interagency Agreement on Small Business Technical Assistance. At this time, EPA is considering an industry-specific pilot project, probably in the Great Lakes region, with the existing Great Lakes Manufacturing Technology Center (MTC), the Midwest MTC, both of which are NIST centers, or with the Great Lakes Council of Governors. This proposed project would focus on the metal fabrication industry, particularly metal forming and finishing segments, within the eight-State Great Lakes Region.

EPA plans to commit \$12 million of the Environmental Technology Initiative (ETI) resources to address pollution prevention among small businesses. The as yet undetermined amount of these funds to be applied to NIST centers depends on progress in the pilot projects, NIST's progress in expanding the number of MTCs, as well as other aspects of the program, which EPA is in the process of developing.

QUESTION 2: The budget seeks an increase of \$36 million for EPA's environmental technology activities. Approximately \$4 billion being spent government-wide for research and development related to environmental technologies.

According to the Congressional Research Service, there are two glaring problems with our efforts to promote environmental technologies:

- a lack of coordination among the various departments involved in environmental technology R&D; and
- no comprehensive effort to evaluate the effectiveness and success of the federal R&D effort.

Given the substantial sums of money involved, and the importance of environmental technology to clean-up efforts and pollution prevention, can you elaborate on how EPA plans to spend the \$36 million, and how it intends to improve coordination among DOD, DOE, and other departments?

ANSWER: Initial priorities for the \$36 million requested in the FY 94 President's budget to support the Environmental Technology Initiative (ETI) are to: 1) make the benefits of pollution prevention available to small businesses, 2) develop critical innovative technologies to fill crucial gaps in our technology arsenal, and 3) promote U.S. environmental technologies to address international environmental problems.

The Administration intends for EPA to spend approximately \$24 million of these resources on joint activities with other Federal agencies for implementing specific parts of the program, an approach which brings together the expertise and facilities of participating federal agencies, and leverages the resources. As the lead agency, EPA will establish interagency working groups to ensure effective coordination on specific areas of the program.

QUESTIONS FROM SENATOR CHAFEE

QUESTION: Congress passed two laws last year that place significant new responsibilities on the Agency—the Federal Facility Compliance Act (dealing with the liability of the federal government for fines and penalties when violating waste laws) and the Community Environmental Response and Facilitation Act (dealing with closing military bases that are also Superfund sites). Both acts require EPA to perform extensive new functions. Does the President's budget address the resource needs of the Agency for the implementation of these acts?

ANSWER: The FY 1994 EPA proposed budget to Congress includes \$900,000 in contract resources to implement the Federal Facility Compliance Act which will be managed by existing work years. In FY 1993, EPA's budget includes \$900,000 for the Office of Enforcement and the Office of Solid Waste & Emergency Response to conduct multi-media inspections. The contract dollars will help support the mandates of the new Act.

At this time, EPA is assessing its resource base to determine how best to carry out the statute's mandate for annual inspections and for comprehensive groundwater monitoring evaluations at all such Federal facilities. These inspections will be performed using EPA work years and paid by reimbursements from other agencies.

As to the Community Environmental Response and Facilitation Act, EPA is currently shifting resources from oversight to support Base Realignment and Closure (BRAC) I, II, and III sites. These resources are being allocated to develop procedures for the implementation of CERFA's mandate, including standards for identifying uncontaminated parcels and procedures for evaluating DOD's proposed parcel identification. Evaluating parcel identifications at BRAC I and II installations must be completed by April, 1994. In some cases, Interagency Agreements must be renegotiated to reflect base closure priorities and in other cases Interim Remedial Actions

are being undertaken to facilitate reuse. Expanded community outreach efforts will be a part of most base closures and there will be additional site evaluations at non-NPL installations. Efforts to expand the use of innovative technology and presumptive remedies will also require EPA resources.

QUESTIONS: According to the graph I viewed recently, funding increases between fiscal years 1988 and 1993 on the Superfund program, the Construction Grants program and the EPA operating budget are dwarfed by the near tripling in funding for clean-up of federal facilities, primarily those of DOD and DOE. In the President's 1994 budget, has oversight of clean-up of federal facilities increased proportionately? If not, since there appears to be no limit in sight to the enormity of the federal facility cleanup problem, does EPA intend in the future to ask federal agencies for reimbursement of their oversight costs?

ANSWER: EPA is currently considering options to fund its activities at federal facilities. One of these options is seeking reimbursement from federal agencies for technical assistance costs. To facilitate this option, EPA has been involved in significant discussions with the Department of Defense.

EPA is also exploring a variety of other options to address oversight needs, including: 1) deferring oversight to states; 2) "tiered" oversight, as implemented in the RCRA program; 3) not overseeing certain sites based on a facility's past performance and the type of contamination being addressed; and 4) reprogramming resources within the existing budget.

QUESTION: Despite proposed cuts in the Superfund program, the President's budget still calls for 3,514 work years for fiscal year 1994. How can such a large number be justified for the program, especially in light of the number of work years allocated to other important programs such as air and water?

ANSWER: The Superfund request is needed to enable the Agency to perform its functions under CERCLA. The Agency is charged with the responsibility of providing emergency response for hazardous substances released into the environment and the remediation of inactive hazardous waste sites. There are approximately 1,275 sites on the National Priorities List requiring response action. At the end of FY 1992, 744 of these sites had either a removal or remedial action initiated. There remains a great deal of work for the Agency in addressing hazardous waste sites across the country.

In addition to substantial cleanup responsibilities, the Agency is continuing to pursue its successful enforcement efforts (over 70% of new construction projects are undertaken by responsible parties). Nearly one-half of the Agency's Superfund work years are devoted to this enforcement effort. To date the Agency's efforts have yielded over \$7 billion in responsible party financed work and nearly \$1 billion in cost recovery settlements. With this great volume of private party work underway, the need for Federal FTE to monitor this work to ensure compliance with CERCLA and the settlement agreements has certainly not diminished.

NEED FOR A DRINKING WATER STATE REVOLVING FUND

QUESTION: There are two revolving fund proposals in the 1994 budget, one for Clean Water and one for Drinking Water. Currently we are at \$2 billion a year for the Clean Water SRF, and there is no Drinking Water SRF. Based on the current budget situation it may be difficult to keep the \$2 billion that was available for the Clean Water SRF in the last Bush budget. How is it with budget problems so severe, that we can even consider a large new program for drinking water?

ANSWER: The Administration recognizes the needs in the wastewater program and continues to support this program. The FY 1994 budget level is \$1.2 billion for the Clean Water SRF and we are continuing to pursue the Economic Stimulus package which, as currently proposed, will add an additional \$400 million. However, the administration also recognizes the growing requirements and costs in the drinking water program and the need to provide assistance to provide an increased level of protection for public drinking water supplies. In FY 1994 we are proposing to fund \$599 million to support the new Drinking Water SRF.

The drinking water program has become increasingly more complex and burdensome over the last several years. Over 70 drinking water contaminants have been regulated since the 1986 SDWA Amendments, and additional regulations are forthcoming. Public water systems are having a very difficult time meeting the technical and financial demands of the program. This is especially true for small systems, which comprise almost 90% of all systems. While the nation's drinking water supply is currently one of the safest in the world, the estimated capital costs to comply with currently promulgated regulations is \$10 billion through 1998. The

Drinking Water SRF, by providing loans to assist systems to meet the capital costs of program requirements, will be a very significant new tool available to help meet these needs and to better protect public drinking water supplies.

MULTIMEDIA—QUESTION 2

QUESTION: One of the programs showing a major funding increase in 1994 is the multimedia program. The budget summary shows a \$53.5 million increase in multimedia research alone. That is substantial. What does that money buy? When the air, water, and waste programs are starved for funding to meet Congressional mandates and are nevertheless, seeing cuts, is a \$53.5 million increase in multimedia research justifiable?

ANSWER: This increase recognizes that a multimedia approach to research is a better way to address issues that impact several media and potentially result in human exposure and health effects. Media research focuses on only one media when, in fact, many of our environmental problems cross media. Media specific approaches have successfully met many Congressional pollution control mandates and the past two decades of controls have sharply reduced the massive discharges of sewage and industrial chemicals. The remaining sources of pollution are more diffuse and multimedia in nature. Multimedia research looks at several sources of pollutants, their fate and transport through a variety of media such as air, water and land. To continue to provide the scientific basis needed to implement our environmental statutes, it is imperative that we address multi-media research questions.

In FY 1994, \$12 million of new investments went to the air, water, waste, pesticides and toxics research programs. This did not offset the \$23 million reduction associated with one-time FY 1993 Congressional Add-ons attributed to those areas.

The net increase of \$53.8 million to multimedia research funds a number of key Agency initiatives as shown below.

- *Innovative Technologies (\$24.0 million)* Key environmental legislation, such as the Clean Air Act Amendments (CAAA) of 1990, and international agreements, such as the Montreal Protocol, recognize that solutions to environmental problems must be phased in over the next 10-20 years. This will require a generation of technology beyond the current state of the art.

In response to this need and to support the President's technology initiative, the Office of Research and Development (ORD) and the Agency will initiate an integrated cross-program Innovative Environmental Technology program. The program's focus is to: (1) create innovative public/private sector partnerships to jointly develop cleaner technologies and encourage the adoption of pollution prevention technologies by small businesses; (2) enhance the use of innovative US environmental technologies in international markets through cooperation with the Department of Commerce; and (3) develop innovative technologies to control and reduce pollution.

- *Ecosystems Initiative (\$10.0 million)* ORD will develop a new generation of ecological test methods, based on the principles of systems ecology, to assess risks to ecosystems. This broader risk assessment approach is based on the cumulative effects from numerous stressors upon ecological resources as opposed to a single media focus. Improvements in ecological risk assessment methods will benefit many activities conducted by the Agency under its legislative authorities, including:

- selection among competing remediation options for hazardous waste sites
- evaluation and comparison of risks of pesticides and industrial chemicals
- control of air-borne toxics emissions
- effective and efficient response to environmental emergencies.

Another component of the initiative is the expansion of Regional EMAP (R-EMAP). Specific regional projects apply an EMAP assessment approach to high priority ecological areas identified by the EPA Regions. The incremental resources will expand R-EMAP projects from 7 Regions to 10 Regions. The present R-EMAP projects support statutory mandates by investigating media specific topics such as; surface water quality indicators, metal contamination, sediment toxicity, coastal/border toxics problems, and condition of fisheries.

- *Human Exposure Initiative (\$2 million)* Through the National Human Exposure Assessment Survey (NHEXAS), ORD will add chemical and biological measurements to a regional scale pilot study and produce a status report on human exposure in that region.

ORD will initiate Phase II of an exposure field study in the Rio Grande Valley region near Brownsville, Texas. Researchers will begin assessing exposures of the region's population to the pollutants characterized in Phase I of the study. This initiative supports the North American Free Trade Agreement (NAFTA).

Both of these human exposure activities support environmental legislative mandates related to human exposure to pesticides, toxic substances and other media programs.

- *Pollution Prevention (\$2.5 million)* This research will support the Source Reduction Review Project (SRRP) which promotes the incorporation of pollution prevention approaches in the Agency's regulation development process to reduce environmental risk through source reduction and eliminate cross-media transfer of pollutants. Specific areas which will be examined include the pulp and paper industry; pesticide packaging and other selected effluent guidelines. This research also supports the legislative mandate contained in the Pollution Prevention Act of 1990 and provides information in support of multi-media regulatory approaches.

- *Exploratory Research Grants (\$2.0 million)* The exploratory grants program will continue to support investigator-initiated research. Support for environmental biology will be increased, particularly research on terrestrial and aquatic ecology. The growing awareness of the importance of pollution prevention through recycling, resource conservation and altered manufacturing and marketing practices will make socioeconomic research an important area in 1994.

Initiatives coordinated through the Federal Coordinating Council on Science Engineering and Technology (FCCSET):

- *Advanced Manufacturing (\$2.0 million)* ORD will initiate research supporting the FCCSET Advanced Manufacturing crosscut. Research will focus on: (1) identifying innovative approaches for advanced manufacturing or products which result in integrated waste minimization, increased efficiency, and reduced costs; 2) developing fundamental process information to aid in identifying those technologies or industrial sectors requiring priority attention; and 3) assisting in commercializing selected advanced manufacturing technologies in collaboration with academia and industry.

- *High Performance Computing and Communications (HPCC) (\$4.0 million)* The additional resources will be used to acquire a powerful scalable massively parallel computer and establish a high speed interconnection between EPA's supercomputer center's in Michigan and North Carolina. This initiative will support a major goal of the Agency and the HPCC program. The goal is to provide more effective solutions to complex environmental problems by applying advanced computing and communications technology to multi-pollutant and multi-media pollutant assessments.

FMFIA Material Weaknesses:

- *Quality Assurance (\$2.0 million)* EPA will expand oversight efforts to assess the quality of the Agency's environmental data and supporting documentation.

- *Operating Expenses (\$5.5 million)* This increase reflects additional resources for: laboratory supplies, office supplies and materials; scientific and technical equipment; management and administrative ADP support and services; facilities operating expenses, repair, and improvement projects costing under \$75,000; and other support services essential to fulfill EPA's research mission.

EPA RESOURCES TO PARTICIPATE IN INTERAGENCY WORK GROUP

QUESTION: As you know, the White House has recently agreed to set up an interagency working group to examine wetlands policy. In addition, last week the Senate voted to direct the administration to prepare a report on measures to provide that the Soil Conservation Service be the Federal agency responsible for wetlands determinations on agricultural lands. What resources does EPA have available to participate in these efforts?

ANSWER: EPA believes both of these efforts are of critical importance to the wetlands program, and will commit necessary resources to assure an effective and timely response to each issue. However, we would like to note that the timeframe (90 days) provided for the administration report on wetlands determinations for agricultural lands is extremely short for the agencies and the White House to define and assess the issue, prepare a report, agree on recommendations, and transmit it to Congress. In any event, we believe this effort will require intensive work by agency staff, probably occupying at least 2 person-years of work for EPA.

GREEN PROGRAMS INCREASE

QUESTION: A major increase is slated for EPA's Green energy efficiency programs. Would you elaborate on where those new monies will be directed?

ANSWER: In 1994, the "1green1" programs will expand in three specific areas. First, the Green Lights program will augment its marketing and sales effort, intensify its implementation assistance, and launch new auditing and technical assist-

ance programs. Special emphasis will be placed on accelerating investments corporations have already committed to make in contracts with EPA.

Second, in the area of energy productivity and pollution prevention, a series of new programs including Energy Star Buildings (heating, ventilation and air conditioning), Energy Star Computers, and Residential (e.g. "Golden Carrot") programs are aimed at increasing the productivity of energy systems wherever profitable. In the buildings area, EPA will significantly augment its marketing and sales effort, intensify its implementation assistance, and launch new auditing and technical assistance programs.

In terms of Energy Star Computers, the program will target a community-based outreach program to local vendors and users of computer equipment. Up to one-third of all computer equipment is bought and sold in small retail outlets that are currently unaware of the economic and environmental benefits of Energy Star equipment. In the residential sector, the focus will be to begin providing incentives to builders and vendors to begin development of innovative financing mechanisms for advanced heat pumps, water heating systems, increased insulation, and a number of additional residential technologies (including those using natural gas).

Finally, the 1994 program will expand the Methane program. Since methane has energy value, its emission to the air is equivalent to energy evaporating before use. The methane program will seek to profitably capture this "lost energy" in five areas: coal mines, natural gas, agricultural wastes, livestock and landfills. The coal mines component will be aimed at generating methane capture in Appalachia during coal mining. The natural gas program is a voluntary effort with industry that will be aimed at accelerating investments to reduce pipeline leaks in the U.S. and increase exports of this technology to the former Soviet Union. In the area of landfills, the 1994 program will aim at helping small communities meet local energy demand and the need for acceptable landfills by creating a recovery industry profitable for these communities. The agricultural wastes component focuses efforts on accelerating farmer utilization of waste as an energy source by investing in collection systems and generators and/or absorption refrigeration. Finally, the livestock program will aim at partitioning carbon to useful products (milk and meat) by nutritional supplements and/or range improvements.

QUESTION: There has been some criticism that EPA programs such as Green Lights are committing federal dollars to benefit Fortune 500 companies. What role is EPA playing in such initiatives, and should the private sector be going it alone?

ANSWER: The Green Programs do not subsidize any companies. We provide no direct financial support to Green Program organizations. All participants, including corporations, pay for energy-efficiency themselves.

EPA's Green Program funding is used to encourage organizations, through education and technical support—and without government subsidy—to prevent pollution at a profit by investing in energy-efficiency.

Within the Green Lights Program our participants include businesses (large and small), environmental groups, health-care facilities, universities and federal, state and local governments, as well as 12% of the Fortune 500. When the Green Lights program was started about 2 years ago, recruiting efforts focused on larger corporations and organizations because these groups control the greatest square footage of lighted building space, and therefore their participation in the program could yield the greatest environmental return per dollar spent. Today, over 3 billion square feet of facility space has been committed to the Green Lights program throughout the U.S.

The Green Programs are voluntary public/private partnerships designed to successfully reduce emissions of carbon dioxide and methane—primary contributors to global climate change. The Green Programs stimulate profitable pollution prevention in business and government, create jobs in the private sector, increase worker safety, and free up capital for investment. The nation saves literally hundreds of times what the federal government invests in EPA's "green programs."

AIR TOXICS

QUESTION: In general, describe the EPA air toxics program.

ANSWER: Toxic pollutants are chemicals known or suspected of causing cancer or other serious health effects (e.g. reproductive effects). Title III of the CAA requires EPA, over a 10 year period, to issue "maximum achievable control technology" (MACT) standards which cover all major sources of 189 specified hazardous air pollutants (HAPs). The primary consideration in establishing these standards must be demonstrated technology. Costs, non-air quality health and environmental impacts and energy requirements may also play a role in setting these standards. In-



dustries must comply within 3 years after a standard is issued. If significant risk remains after MACT is installed, additional standards to protect public health and the environment are required.

Other provisions of section 112 require controls on area sources to address the urban air toxics problem, measures to prevent accidental releases, and measures to protect the Great Lakes and coastal waters from atmospheric deposition of air toxics. A voluntary emissions reduction program is also required to be established. The new amendments also place greater emphasis than in the Past on health effects other than cancer and on the prevention of ecosystem damage.

EPA's air toxics program requires State and local air pollution control agencies to play a considerable role in implementing this program. The air toxics program will be implemented through the Clean Air Act's Title V permitting program. EPA is also developing guidance addressing source modifications, delegation of State programs, and case-by-case equivalency determinations in the event the EPA fails to issue a standard according to the established regulatory schedule. The Agency is maintaining national data bases and clearinghouses for technical and risk assessment information to assist State and local agencies and any other interested parties.

NAPAP FUNDING

QUESTION: What funds is OAR devoting to NAPAP in FY 1994?

ANSWER: In preparing the FY 1994 budget the Administrator decided not to carry any of the FY 1993 special projects forward. This includes the \$750,000 Congressional funding for NAPAP. In FY 1994, the Agency will continue to work with NAPAP. This includes \$700,000 in funding for NAPAP in the Acid Rain program. EPA's total funding for NAPAP is \$1.65 million, of which \$950,000 is in the R&D appropriation in the Office of Research and Development to support the NAPAP Office of the Director, and \$700,000 is in the ACE appropriation in the Office of Air and Radiation.

QUESTIONS FROM SENATOR SMITH

RADON REPORT TO CONGRESS

QUESTION: An amendment contained in EPA's fiscal year 1993 appropriations bill directed EPA to revisit its proposed radon in drinking water rule, conduct a multi-media risk assessment on radon and report back to Congress with its results by July 30, 1993. What is the status of this report? Please provide me with EPA's preliminary findings and the intended course of action.

ANSWER: Included as part of the FY 1993 Appropriations Bill is an amendment by Senators Chafee and Lautenberg which requires EPA to prepare two reports to Congress. The first report directs the Agency to develop recommendations for reauthorization of the Safe Drinking Water Act (SDWA) by July 6, 1993. The second report directs the Agency to conduct a risk assessment of radon looking at health and cost data across various pathways of exposure.

The findings of this second study are to be submitted to the Science Advisory Board whose recommendations, along with the study, are to be submitted no later than July 31, 1993. The SAB review was initiated in February, but the last document will not be forward to the SAB until June. Initial reaction from the Radiation Advisory Committee to last February's presentation on the risk cost portion of the report was highly favorable.

EPA is heavily involved in report preparation. EPA is currently developing its final report and reviewing recommendations/ findings. We will then conduct briefings within EPA to ensure common understanding and agreement. At this time we are not ready to discuss preliminary findings; however, we fully anticipate that both reports will be forwarded to Congress this July.

LEGISLATIVE PROPOSALS FOR SRFs

QUESTION: Within the administration's fiscal year 1994 budget for EPA, a State Revolving Loan Fund for drinking water projects has been proposed. As you know, Congressional committees have already begun to deliberate on this proposal. Last month, you announced that authorizing legislation would be forwarded to Congress by mid-May. Is this still in the pipeline, and if so, when can we expect to see legislative proposals on Clean Water and the Safe Drinking Water SRF?

ANSWER: At the end of May, the administration provided the Senate and House leadership with its "Statement of Principles" for the drinking water SRF for use by the authorizing committees. In late July, the administration provided the Senate and House leadership with draft authorizing language for the Clean Water SRF.

In the meantime, EPA staff have been providing technical assistance to authorizing committees in the Senate and the House as they move forward on authorizing the SRFs. In the House, two committees have already completed full-committee mark up of bills authorizing the drinking water SRF (HR 1701 and HR 1865). EPA staff have also met with staff from the Senate Environment and Public Works Committee, who have expressed their willingness to work with the administration to develop suitable authorizing language for the SRFs.

FUNDS APPROPRIATED FOR ENVIRONMENTAL CONTROLS

QUESTION: Of the funds appropriated for environmental controls in Mexico along the U.S.-Mexican border, how much of this has been spent and how much is anticipated to be spent on U.S. products and services? Please express in both total dollars and in a percentage.

ANSWER: A breakdown of international wastewater treatment projects completed or underway is as follows:

Tijuana: The international treatment facility will be located in San Diego, California. The International Boundary and Water Commission (IBWC), U.S. Section has spent \$1.5 million on facilities in Mexico and the U.S. to collect and transport the Tijuana wastewater to the future international facility. Of this amount, about \$1.0 million was spent on U.S. labor, materials and equipment. The funds which have been obligated by the U.S. Environmental Protection Agency for the project since fiscal year 1984 total \$96.4 million. All of these funds have been committed to U.S. products and services. These include engineering and other professional services for planning, design, environmental mitigation and construction, as well as for pipes, pumps, motors and other equipment. In summary, a total of \$97.9 million has been obligated or spent on the project to date, of which approximately \$97.4 million (99.5 percent) has been or will be spent on U.S. products and services.

Mexicali (New River): The International Boundary and Water Commission (IBWC) has rehabilitated two wastewater pumping stations and constructed an additional pumping station in Mexico, at a total cost of \$600,000. Work was completed in 1989. 100 percent of the expenditure was for U.S. equipment and services.

Nuevo Laredo: The IBWC will be completing a wastewater collection and treatment project in 1994. Of the total project cost of approximately \$22 million, it is estimated that about \$12.5 million, or 57 percent, will be spent on U.S. services (inspection, engineering, etc.) and products/equipment.

Nogales: An international wastewater treatment facility to serve Ambos Nogales (Nogales Arizona and Sonora) was recently completed by the IBWC in 1993. Of the total project cost of \$8.9 million, 100 percent was spent on U.S. materials, labor and equipment.

In addition to international wastewater treatment projects, considerable funding has been appropriated for wastewater treatment projects to serve U.S. "colonials" located along the border. Colonials are low-income, predominantly Hispanic communities which often lack basic necessities such as indoor plumbing, adequate drinking water or wastewater sanitation. It is anticipated that 100 percent of the funding for colonia wastewater infrastructure will be committed to U.S. services such as planning, design and construction, and to U.S. products and equipment. Amounts appropriated to colonials in fiscal year 1993 include \$50 million for the State of Texas, \$10 million for the State of New Mexico and \$10 million for a colonial project in Arizona. Additionally, \$650,000 was appropriated for a colonial wastewater demonstration project in New Mexico, and in fiscal year 1991, the State of Texas was authorized to establish a \$15 million revolving loan fund, capitalized by an EPA grant, to enable colonial residents to install plumbing and connect to water and wastewater systems. In summary, \$85.7 million has been targeted by EPA for providing wastewater assistance to colonials along the border, of which 100 percent is expected to be expended on U.S. products and services.



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