INTERIOR, ENVIRONMENT, AND RELATED AGENCIES APPROPRIATIONS FOR 2015

HEARINGS

BEFORE A

SUBCOMMITTEE OF THE

COMMITTEE ON APPROPRIATIONS

HOUSE OF REPRESENTATIVES

ONE HUNDRED THIRTEENTH CONGRESS

SECOND SESSION

SUBCOMMITTEE ON INTERIOR, ENVIRONMENT, AND RELATED AGENCIES

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PART 6

	Page
Department of the Interior Budget Oversight Hearing	**1**
Environmental Protection Agency Budget Oversight Hearing	**113**

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INTERIOR, ENVIRONMENT, AND RELATED AGENCIES APPROPRIATIONS FOR 2015

TUESDAY, MARCH 25, 2014.

DEPARTMENT OF THE INTERIOR

WITNESSES

HON. SALLY JEWELL, SECRETARY OF THE INTERIOR

MICHAEL CONNOR, DEPUTY SECRETARY OF THE INTERIOR

RHEA SUH, ASSISTANT SECRETARY—POLICY, MANAGEMENT, AND BUDGET

PAMELA HAZE, DEPUTY ASSISTANT SECRETARY—BUDGET, FINANCE, PERFORMANCE, AND ACQUISITION

OPENING REMARKS OF CHAIRMAN CALVERT

Mr. CALVERT. The Committee will come to order. I believe Congressman Moran will be here shortly, but in the interest of time, because we have a vote coming up shortly, we are going to get some of the opening statements out of the way.

First, I want to welcome Secretary Jewell. I would like to welcome you here to today's hearing, along with Deputy Secretary Mike Connor, as well as Rhea Suh, and our good friend Pam Haze. Our hearing today will address the fiscal 2015 budget priorities for the Department of the Interior.

Before we begin, I would like to congratulate Mike Connor for his recent confirmation as Deputy Secretary. I have worked with Mike in the past as Commissioner of the Bureau of Reclamation, and I know you will work hard with the Secretary to address some of the immense challenges facing the Department and our country, especially in California. So, look forward to working with you.

I would like to welcome the newest member of our Subcommittee, Chris Stewart, from the great State of Utah. Chris, it is great to have you here on the Subcommittee.

Madam Secretary, this is your first formal budget hearing before our Subcommittee as Secretary of the Interior. I am grateful for the opportunities that you and I have had to meet on several occasions to discuss the many challenges facing the Department: funding for fire suppression, Endangered Species Act, funding for PILT, the severe drought affecting the West and my home State of California.

It is clear that we have a lot of work to do addressing some very tough issues. While we won't agree on every single issue, I know from our conversations we both recognize the importance of listening to other points of view and trying to find common ground in solving problems.

I would like to mention a few things before we receive your testimony.

First, the challenge of providing adequate wildfire funding each year is one of the greatest challenges facing our Subcommittee. The cost of fighting wildfires, particularly the 1 percent of the most catastrophic fires that consume 30 percent of the fire budget, continues to grow each year. Of course, this puts pressure on every other account in our bill.

I want to applaud my good friend and our former Subcommittee chairman, Mike Simpson, for his efforts to address this issue through his bipartisan legislation which proposes that we treat catastrophic fires as we do all other natural disasters like earthquakes, floods, and hurricanes. I am happy to cosponsor his bill along with six other members of this Subcommittee and encourage other Members to join the effort.

Another challenge facing the Department and the Subcommittee relates to the Endangered Species Act. The ESA, in my opinion, was a well-intentioned statute that is long overdue for a major overhaul.

Like a number of my colleagues, I am concerned that any future decision by the Department to list the sage grouse under ESA would have a devastating effect in the West, with consequences felt across our entire national economy. If the Department lists the sage grouse, oil and gas development in the West could be largely curtailed. The impact of listing the spotted owl some years ago would pale by comparison.

Identifying a stable, long-term funding mechanism for Payments in Lieu of Taxes, or otherwise known as PILT, is another major challenge. PILT has been a mandatory program under the jurisdiction of authorizing committees since the fiscal year 2008. Fortunately, PILT was carried in the farm bill earlier this year. This is yet another funding challenge that we need to find a long-term solution for.

Lastly, we are in the midst of a drought that is likely to have far-reaching consequences on families and businesses in the West, particularly in my home State of California and particularly in Mr. Valadao's district. This Subcommittee is limited in what it can do to address the drought, but I believe you—believe me, Madam Secretary, that you are in a position to ensure that the Department does not repeat what I view as past mistakes in releasing critical water supplies into the Pacific Ocean.

In closing, Madam Secretary, I want to express my appreciation to your fine professional staff. Our Subcommittee simply couldn't do its work without the folks sitting next to you and those sitting behind you. Thanks to each of you for what you do.

And, with that, I am happy to yield to the gentleman from Virginia, my good friend, Mr. Moran, for any opening remarks.

And I apologize, Jim. We are going to have a vote coming up any minute, so I thought we had better get going.

Mr. MORAN. Thank you, Mr. Chairman. Thanks very much.

Mr. CALVERT. He just ran a marathon——

Mr. MORAN. Yeah, I did.

Mr. CALVERT [continuing]. Ran a marathon on the way over here.

Mr. MORAN. Yeah. Yeah. Well——

Mr. CALVERT. So I recognize Mr. Moran.

OPENING REMARKS OF MR. MORAN

Mr. MORAN. This is our first hearing with you as Chairman, Mr. Calvert. And sorry to be late. With Simpson, I didn't mind so much, but, boy, when you are Chair—no, you do have big shoes to fill. Mike was a terrific Chair.

And I know we are going to maintain that sense of bipartisan cooperation. We had a tough time last year, but I trust that this year is going to be much better. And, you know, hopefully it won't take 9 months to come up with an agreed-upon overall number that is acceptable to both sides.

I want to welcome you, Madam Secretary. I just think you are the perfect person at exactly the right time. And it is nice to see you with Rhea and Pam.

Mike, we will get to know you, as well.

This is the 1-year anniversary, and I know when you first came in you likened this job to that of trying to drink from a water main, and I know it was a real baptism by fire. But you have done a great job, you have to admit, wear a lot of hats.

This is really in honor of former Chairman Simpson, Chairman Calvert, that I want to offer a quote, because Mike would have——

Mr. SIMPSON. I wouldn't have come——

Mr. MORAN [continuing]. Eagerly anticipated these quotes. So this one is from Teddy Roosevelt, a great Republican President, I think we would all agree. And he said, "This is your country. Cherish these natural wonders, cherish the natural resources, cherish the history and romance as a sacred heritage for your children and your children's children. Do not let selfish persons or greedy interests skin your country of its beauty, its riches, or its romance."

Now, that is a bit more poetic than we normally use in our hearings, but we do know that our natural resources are not inexhaustible and that, whether it be through indifference, neglect, or the expedient demands of today, our natural, cultural, environmental heritage can be put at risk.

The budget that we are working with is only 3.3 percent above the fiscal year 2014 level, and without the disaster cap adjustment, Interior funding is only 1 percent above the current appropriation. Our appropriation for last year was $883 million above fiscal year 2012, but when you deduct the fire borrowing repayment and the increased funds budgeted for fire, the Subcommittee actually had $426 million, almost half a billion less, to spend on all the other programs in the Interior-Environment bill in fiscal year 2014 than it did in fiscal year 2012. So our bill was really not fixed by the sequester.

And so it is against that backdrop that we have to look at Interior Department's funding. And I can only hope that when the fiscal year 2015 allocation is made, Chairman Rogers, that we get a fair and workable allocation and that the upcoming fire season is not too serious.

But we do know you have your work cut out for you, Madam Secretary. And you should know that we value the work that you and all your dedicated employees at the Interior Department do day-in

and day-out to meet your responsibilities for the natural resources of this Nation. And we look forward to your testimony.

And I want to thank you again, Mr. Chairman. Thank you.

Mr. CALVERT. I thank the gentleman and look forward to working with him. We are also joined today by our distinguished Chairman of the full Appropriations Committee, Chairman Rogers. And I thank him for taking the time to contribute to this important conversation.

Chairman Rogers, would you like to make an opening statement?

OPENING REMARKS OF CHAIRMAN ROGERS

Mr. ROGERS. Thank you, Mr. Chairman. And congratulations on assuming this chair. You will be a good Chairman of this Committee. You are well-qualified for it, and it fits your interests, I think, to a "T".

Madam Secretary, we are glad to welcome you here for your first appearance before this august body. This is where the rubber meets the road, this Committee and your Department and the others. It is the best interface there is between the executive and legislative branches. And so, for that reason, we are delighted that you are here with your staff.

We are moving along at a very brisk pace this year in appropriations, the quickest that I have seen since I have been around here, in order to keep this Committee on track to try to pass all 12 of the appropriations bills and get us back to a sense of regular order, which we have missed direly for, now, many years.

It is my goal and it is that of Nita Lowey, the Ranking Member of the full Committee—it is the same as with Senator Mikulski and Senator Shelby on the Senate side, along with our Subcommittee Chairmen and Members. We are all determined to get this process back on the track so that each bill stands on its own, is debated, amended, changed, and conferenced with the other body and sent to the President.

We have gotten started with these hearings much sooner than we were able to last year, mainly because this year we have a number that has been agreed upon by the House and Senate and we don't have to wait on the Budget Committee or even the executive branch; we are proceeding forthwith.

And I appreciate your willingness to take the time to come here on the tight schedule that you have.

I have been saying a lot about this over the last couple of weeks, but it is critical that we get back to regular order and pass these bills.

The fiscal 2014 omnibus bill is a prime example of what we can accomplish when we work together. This Committee was able to provide every facet of the Federal Government with adequate, responsible funding even while we continued to reduce Federal spending, totaling $165 billion in cuts since fiscal 2010.

As we have noted in previous years, the Department of the Interior oversees a vast government enterprise that houses disparate agencies and missions related to the stewardship of our natural heritage and resources. And you, as Secretary of this very varied Department, are presiding over agencies and units that have nothing in common with each other. You are a little bit like what a

Senator, leader in the Senate said fairly recently, that his job was a lot like caretaker at a cemetery: A lot of people under him, but no one is listening. And I sympathize with you in that regard.

One of these missions is paramount: your oversight of our Nation's energy and natural resources. Energy is the backbone of the U.S. economy. Without cheap, reliable energy, businesses that have set up shop in the U.S. will look elsewhere. Uncertainty created by indecisiveness and bureaucratic overreach will inevitably raise energy costs and push businesses overseas and more Americans onto unemployment lines and welfare rolls.

And I will just be honest with you; it is near impossible to understand or comprehend what this Administration's energy policy really is. During a weak economic recovery for these several years now, American families struggling to make ends meet desperately want lower and more consistent energy prices. While the President would like to make it sound as though the Administration has made great progress in expanding domestic production of conventional energy since 2008, the actual picture is far less rosy.

Instead of pursuing policies that will guarantee American jobs and stable prices for our consumers, the Administration has sought to institute its own regulation of carbon. When it could not work its will with legislation in Congress, the result has been a withering assault on the coal industry by the EPA, using draconian regulations to shut down the permitting process and ensuring that nearly 8,000 miners in my district alone have lost their jobs in the last several months.

At the same time, there has been no interest in promoting American jobs through infrastructure projects like the Keystone pipeline—a bipartisan and publicly supported effort to supply our country with cheap, secure Canadian oil. And while there has been a boom in the natural gas industry in recent years, it is likely that the environmental interests that this Administration is beholden to will move to shut that down, as well.

There is no winner in this approach to American energy policy. What it amounts to is the politicizing of the American economy. Energy costs continue to rise, sorely needed jobs are eliminated, and our energy security is reduced, all in the name of satisfying specialized voting blocs. That is unfortunate.

A recent study completed at Stanford University concluded that proposed carbon tax schemes would disproportionately impact low-income Americans more than corporations or the wealthy. While the Administration has not been able to get its cap-and-tax regime passed, it has been diligently going about that same thing through regulation. The results are similar to those found in the Stanford study. Companies either close shop or pass along the increased regulation costs to their consumers. In my district in Kentucky, one of the poorest in the country, we are already feeling the devastating impact these policies will have on our Nation as a whole.

I am also dismayed at today's news that, despite years of concerns expressed by this Committee and others, the EPA and the Corps of Engineers are working to create new rules that will place strict new standards on thousands of miles of dry beds and streams in this country, somehow construing the words "navigable waters"

to dry bed creeks that have no water anytime. How can you navigate a dry bed full of rocks?

These are streams which sometimes flow seasonally or after heavy rains, but by creating this new definition, the Administration is again striking at Kentucky's economy and its workforce, since every hollow and valley in my region has such a stream, or lack of same, running through it.

This means that no economic activity, no road construction, no coal mining will ever occur without the say-so of a bureaucrat in Washington, and another layer of red tape will be added to the Gordian knot that already has strangled our people since the Administration declared its war on coal.

Madam Secretary, I look forward to hearing your thoughts on the implications of the actions taken by your agency regarding the production of domestic energy vital to powering our economy. I hope that you can touch on these and other issues in your remarks so that we can have a better understanding of your Department's plans. Thank you.

Thank you, Mr. Chairman.

Mr. CALVERT. Thank you. I am also pleased to see that our Ranking Member of the full Committee, Mrs. Lowey, is here today. I am happy to yield to the gentlelady for any opening remarks she would like to make.

OPENING REMARKS OF MRS. LOWEY

Mrs. LOWEY. Well, thank you very much, Mr. Chairman and Ranking Member Moran.

And a great big warm welcome to you, Secretary Jewell.

And I would like to congratulate Chairman Calvert on your new role as Chairman of the Subcommittee.

And a special thank you to Ranking Member Moran, who unfortunately, or fortunately, has announced that he will retire at the end of his term. Over the years, he and I have worked together to defend our clean land, water, and air, and sound the alarm regarding the threat that endocrine disruptors pose to our wildlife and public health. Virginia and this committee have benefited greatly from his service, and his retirement will be a great loss to this Congress.

Madam Secretary, I am very pleased that your budget complements Mr. Simpson's proposal, which is supported by many members of this Subcommittee, to remove a portion of emergency wildfire funding from the annual Interior and Environment appropriations bill and make it eligible for funding under the disaster budget cap.

Our current method of funding emergency wildland fire disasters with discretionary appropriations undermines the very principle of disaster aid by forcing agencies to borrow from other vital programs, like hazardous fuels reduction activities, which help prevent fires from happening in the first place. Disaster aid funding should reflect the recovery and mitigation needs on the ground, not our ability to raid other accounts. I am hopeful that we will be able to address this issue during this year's appropriations process.

Additionally, I strongly support your request for additional funding for the National Park Service Centennial Initiative in 2016.

Over the years, visits by hundreds of millions of Americans each year have taken a toll on our national parks, and there is currently an infrastructure backlog of over $9 billion. The Centennial presents the Congress with a unique opportunity to reaffirm our commitment to our national park system, and I hope to work with you to develop a funding mechanism to ensure that these special places are preserved for the next generation.

However, I am disappointed that the Department continues to propose cuts of approximately 50 percent to the National Heritage Area Program. In areas of the country where national parks aren't immediately accessible, this program furthers historic preservation and an appreciation of historic sites in a cost-effective way that encourages partnerships among State and local governments, nonprofits, and businesses. It seems to me that during this period of fiscal restraint these are the very investments that we should be making more of, not less.

I hope the next time that you are in New York you are able to join me on a visit to some of the really wonderful and magnificent attractions in the Hudson River Valley National Heritage Area.

Madam Secretary, thank you for appearing before the Interior and Environment Subcommittee. We certainly are very honored to have a person of your talent, your experience, and your commitment to agree at this difficult time to serve in this position. And I can assure you that I am going to do everything I can to ensure that you have adequate resources when the Committee writes its fiscal year 2015 bill.

Thank you, and welcome.

Mr. CALVERT. Thank you.

I would like to now recognize the Secretary for her opening statement.

OPENING REMARKS OF SECRETARY JEWELL

Secretary JEWELL. Thank you very much, Chairman.

And, Chairman Rogers and Ranking Member Lowey and Ranking Member Mr. Moran, thank you very much for the opportunity to be here. For the other Subcommittee members, I look forward to your questions.

I want to particularly thank you, Chairman Calvert, for reaching out to me as you assumed the role of Chairman. I appreciate the conversations we have had, both about California but also how this Committee works.

And I want to recognize Ranking Member Moran, who has the most patriotic tie-shirt combination I have seen in my life. It is really spectacular. I want to particularly thank Congressman Moran, who from day one has reached out and helped me figure out, as a non-government person and a non-political person, how you navigate your way around this place. I am really going to miss you. This is your last budget hearing and my first official budget hearing, so thank you so much for your work.

I just want to recognize my team up here, my brand-new, newly minted as of February 27th Deputy Secretary, Mike Connor; my colleagues since I have been here, Rhea Suh over at Policy, Management, and Budget as Assistant Secretary, and her Deputy As-

sistant Secretary, Pam Haze, who you all know, I am sure, very well.

It has been a year since I appeared before you in a casual setting, and I didn't know that 2013 was really extraordinary until I got in the middle of it. We did survive sequestration and budget cuts. It was not pretty, especially to the young people we would have loved to welcome into the Department but didn't have room for because of sequestration and cuts.

I want to express my appreciation particularly to you, Chairman Rogers and Ranking Member Lowey, for getting the budget for 2014 with a cap for 2015. We are, in fact, in a period of regular order, which is enormously helpful in bringing clarity and certainty to us. No matter where the budget comes out, it is very helpful to have a budget.

From a big-picture standpoint, this is a solid budget. It is responsible, it makes smart investments in Interior's missions, and it is within the budget caps of the Bipartisan Budget Act.

Our budget proposal of $11.9 billion is $279.4 million higher than in 2014, $240 million of which is to address emergency fire suppression, as was mentioned in a number of your opening comments. This is a new and prudent budget framework to ensure adequate funding to suppress severe, catastrophic fires as the fire seasons continue to grow hotter, drier, longer, and more expensive.

With thanks to Congressman Simpson for his tireless leadership on this, we are fully behind your efforts and those of your colleagues to change the way we look at wildland fire management.

Our budget is very similar to the legislation that has been sponsored to balance suppression with fuels management and with post-fire restoration, with flexibility to address the extreme fires without impacting long-term fire management activities. Modeled after the Federal Emergency Management Disaster Relief Program, the fire cap adjustment would fund only the most severe 1 percent of fires within the existing disaster cap exemption. Thank you for your bipartisan and steadfast support on this. It is really important to us.

Next, I want to talk about something very important to me, and that is support for Indian country and the Indian programs. It has been a key goal. I have listened to many Native leaders, and this budget includes full funding for contract support costs to allow federally recognized tribes to operate their federally funded programs.

It also includes a new initiative, Tiwahe, for $11.6 million. "Tiwahe" is the Lakota word for "family." And it begins to address the interrelationships between poverty, housing, violence, and substance abuse that is faced by so many Indian communities, as we work with Tribes to chart a more constructive path forward for their communities.

This request is complemented by a proposal for education and economic development in Indian country as part of the President's Opportunity, Growth, and Security Initiative.

Next, I want to move on to the Land and Water Conservation Fund. The President's budget seeks to fulfill a historic commitment to Americans' natural and cultural heritage through full, permanent funding of the Land and Water Conservation Fund as originally envisioned nearly 50 years ago when the Fund was created

from revenues from offshore oil and gas production to mitigate the impacts of development.

It has been a very effective tool, popular across all States and counties, as it has been used for things like expanding access for hunting and fishing, creating ball fields and other places for children to play and learn, acquiring land and reducing fragmentation to facilitate efficient land management, conservation easements on private land to enable landowners to continue working their lands, and protecting things like Civil War battlefields.

The President's budget includes $350 million in its discretionary request for the Land and Water Conservation Fund for Interior and the Forest Service, which, together with the proposed legislation, would provide a total of $900 million in 2015. In 2016 the proposal includes full funding of $900 million for the program available through permanent funding.

As Ranking Member Lowey mentioned, the national parks are coming up on their Centennial in 2016, and we know that there will be a lot more people that choose to visit their national parks. To prepare for the milestone and to accommodate the increased visitation, we have an increase of $40 million in current appropriations in 2015. That is combined with a recommendation for permanent investments of $1.2 billion over a 3-year period of time to support high-priority projects, to enhance the visitor experience for these additional visitors coming from all over the world to celebrate the Centennial of the national parks, and to stimulate private donations. There is a very significant effort to raise private money, and a match will enable us to leverage Federal dollars that much farther.

The President's Opportunity, Growth, and Security Initiative also adds $100 million for deferred maintenance in national parks and $100 million for a Centennial Land Management Investment Fund for Interior's land management bureaus and those of the U.S. Forest Service.

Next, I want to talk about youth. We have a dramatic change going on in our country, in terms of a generation that is entering the workforce at a very difficult time, and that mirrors an aging workforce that we have throughout the Department of the Interior. About the joke on leading a cemetery, pretty soon they may not be talking if the staff I have currently continues to retire and I don't have young people learning as fast as the need to replace them.

We have proposed $51 million in the President's budget to support partnership programs, hiring, internships, and educational opportunities aimed at both youth and veterans between the ages of 18 and 30. It will also leverage private donations, which I am working hard to raise, and support work with youth and Veterans Conservation Corps groups, the new-generation version of the Civilian Conservation Corps, which leverages private organizations.

On energy, the President's budget proposal maintains our commitment to energy initiatives that generate jobs and help the Nation achieve greater energy self-reliance. In total, through all sources, the 2015 budget for energy programs is $753.2 million, a $40.7 million increase from 2014. It includes funding for conventional and renewable energy development and basic science and applied research to understand and better manage the impacts of de-

velopment on water, on habitat, wildlife, and other natural resources.

We are taking a landscape-level approach to development. We are modernizing programs and practices. We are streamlining permitting. We are strengthening inspection and enforcement. We are ensuring a fair return to the American public on our energy programs.

On science, research and development conducted by the USGS and other bureaus is vital to help us understand and address current and important science questions. This budget includes a $60 million increase from the 2014 enacted level to improve our knowledge about issues such as climate change, hydraulic fracturing, Asian carp, and white-nose syndrome in bats. As an example, Interior's Climate Science Centers are developing regional drought impact scenarios, evaluating coastal flooding, and studying the impacts on the Nation's wildlife and habitat to inform our land management decisions.

And the last major category, which I know matters a great deal to the Chairman of this Subcommittee, and that is water. We recognize the challenges of water supplies. Maybe a little bit too much water in Washington State right now, Congresswoman Herrera Beutler, but this is a time of extended and profound drought in the West. I am very happy to have Mike Connor confirmed as Deputy Secretary, with his deep background on these issues.

Recognizing the importance of water conservation measures, the 2015 budget includes an increase of $9.5 million for our WaterSMART program with funding for drought response and resilient infrastructure. The Bureau of Reclamation, along with many partners, State and otherwise, is working on long-term solutions to address future water supply needs.

The President also announced a $1 billion Climate Resilience Fund. The fund would support research on the projected impacts of climate change, help communities become more resilient, and fund breakthrough technologies. These efforts are specifically designed to address the challenges of a changing climate on water resources.

In closing, I look forward to working with you through this budget session on these issues. We are very happy to take your questions at this time. Thank you.

Mr. CALVERT. Thank you, Madam Secretary.

[The information follows.]

STATEMENT OF SALLY JEWELL, SECRETARY OF THE INTERIOR BEFORE THE SUBCOMMITTEE ON INTERIOR, ENVIRONMENT AND RELATED AGENCIES HOUSE COMMITTEE ON APPROPRIATIONS ON THE 2015 PRESIDENT'S BUDGET REQUEST

March 25, 2014

Mr. Chairman and members of the Committee, I am pleased to present the 2015 President's Budget for the Department of the Interior.

One of the first things I did on becoming Interior Secretary was to meet with this subcommittee on the 2014 budget. This subcommittee remains an important partner in the accomplishment of Interior's mission and I appreciate our excellent working relationship, which allows us to resolve challenges and take advantage of opportunities. I appreciate the efforts of the Subcommittee in the development of 2014 appropriations that alleviated the need for indiscriminate sequester of discretionary funds and minimized legislative riders.

Today, I have the privilege of appearing before you, Chairman Calvert, at one of your first hearings as Chair of this Subcommittee and to extend my congratulations on the record. I am pleased this year the budget has resumed a more "normal business" process and we can discuss 2015 in the context of an enacted 2014 Appropriation.

This budget is balanced and responsible and supports Interior's pivotal role as a driver of jobs and economic activity in communities across the country. It enables us to carry out core mission responsibilities and commitments. This budget allows Interior to uphold trust responsibilities to American Indians and Alaska Natives, provides a new approach for responsibly budgeting for wildland fire suppression needs, invests in climate resilience, continues smart and balanced all-of-the-above energy development on and offshore, and bolsters our national parks and public lands in advance of the National Park Service's 100th anniversary in 2016.

Interior's programs and activities serve as economic engines in communities across the Nation, contributing an estimated $371 billion to the economy in 2012 and supporting an estimated 2.3 million American jobs. Of this total, energy and mineral development on Interior-managed lands and offshore areas generated more than $255 billion of this economic activity and supported 1.3 million jobs. Recreation and tourism on Interior lands contributed $45 billion to the economies of local communities and supported nearly 372,000 jobs. Water supply, forage and timber activities, primarily on public lands in the West, contributed more than $50 billion and supported 365,000 jobs.

The President's 2015 budget for the Department of the Interior totals $11.9 billion, an increase of 2.4 percent from 2014, which includes a cap exemption for fire emergencies. Without this exemption, Interior's budget totals $11.7 billion, a 0.3 percent increase, or nearly level with this year's funding.

This budget features three key legislative proposals: a new framework to fund wildland fire suppression requirements; additional investment in the infrastructure and visitor experience at our National Parks and public lands; and full and permanent funding for the Land and Wildlife Conservation Fund. Each of these proposals will significantly enhance our ability to conserve and manage the Nation's public lands.

The budget proposes to amend the Balanced Budget and Emergency Deficit Control Act of 1985, to provide stable funding for fire suppression, while minimizing the adverse impacts of fire transfers on other Interior programs, and allowing Interior to reduce fire risk, manage landscapes more comprehensively, and increase the resiliency of public lands and the communities that border them. In this proposed new framework, $268.6 million, or 70 percent of the 10-year average for suppression response is funded within the discretionary spending limits and $240.4 million is available as an adjustment above those limits, if needed based on a challenging fire season. In addition, it does not increase overall discretionary spending, as it would reduce the ceiling for the existing disaster relief cap adjustment by an equivalent amount as is provided for wildfire suppression operations.

In advance of the 100th anniversary of the National Park Service in 2016, the 2015 budget proposes a comprehensive Centennial Initiative investment in the parks and public lands. The funding would provide targeted increases for a multi-year effort to recommit to the preservation of these special places, to invest wisely in the park system's most important assets, to use parks to enhance informal learning, engage volunteers, provide training opportunities to youth, and enhance the National Park Service's ability to leverage partnerships to accomplish its mission.

Finally, the President's budget continues to support full, permanent funding for the Land and Water Conservation Fund, one of the Nation's most effective tools for expanding access for hunting and fishing, creating ballfields and other places for children to play and learn, protecting traditional uses such as working ranches and farms, acquiring inholdings to manage contiguous landscapes, and protecting Civil War battlefields. The 2015 budget proposes total funding of $900.0 million for LWCF in Interior and the U.S. Forest Service. Within this total, $350.0 million is requested as current funding and $550.0 million as part of a permanent funding proposal. Starting in 2016, the proposal would provide $900.0 million annually in permanent funding.

Complementing the 2015 budget request is $346.0 million identified for Interior programs as part of the President's Opportunity, Growth, and Security Initiative to spur economic progress and promote opportunity. If approved, these investments will enable significant progress to address long-term needs in the areas of national parks and other public lands, research and development, infrastructure and permitting support, climate resiliency, and education and economic development in Indian Country.

The drought in California and other Western States underscores the importance of improving the resilience of communities to the effects of climate change. The President s Opportunity, Growth, and Security Initiative includes a $1 billion government-wide Climate Resilience Fund to invest in developing more resilient communities, and finding solutions to climate challenges through technology development and applied research. This Fund includes about $240 million for Interior programs that invest in research and development, assist Tribes and local communities in

planning and preparing for extreme weather conditions and events, and support public land managers in landscape and watershed planning to increase resiliency and reduce risks.

2015 Budget

The 2014 budget request includes $10.6 billion in current funding for programs under the jurisdiction of the Interior, Environment and Related Agencies Subcommittee. This is a $104.9 million, or a one percent increase, compared to 2014. Total funding for the Department includes $1.0 billion requested for the Bureau of Reclamation and the Central Utah Completion Act, which are under the jurisdiction of the Energy and Water Development Subcommittee.

In addition to the proposals already discussed, the 2015 request sustains support for essential requirements and allows for targeted increases above the 2014 enacted level. Within the overall increase for 2015, $54.4 million covers fixed cost increases for such things as Federal pay and rent. Reflecting the need to prioritize budget resources, this request includes $413.3 million in proposed program reductions to offset other programmatic requirements.

Interior programs continue to generate more revenue for the American people than the Department's annual current appropriation. In 2015, Interior will generate estimated receipts of nearly $14.9 billion, a portion of which is shared with State and local governments to meet a variety of needs, including school funding, infrastructure improvements, and water-conservation projects. Also included with this request are revenue and savings legislative proposals estimated to generate more than $2.6 billion over the next decade.

Putting this budget in context, Interior's complex mission affects the lives of all Americans. Nearly every American lives within an hour's drive of lands or waters managed by the Interior Department. In 2012, there were 417 million visits to Interior-managed lands. The Department oversees the responsible development of over 20 percent of U.S. energy supplies, is the largest supplier and manager of water in the 17 western States, maintains relationships with 566 federally recognized Tribes, and provides services to more than two million American Indian and Alaska Native peoples.

Celebrating and Enhancing America's Great Outdoors

Throughout American history, the great outdoors have shaped the Nation's character and strengthened its economy. The 2015 budget requests the resources and authorities to care for our public lands and prepare for the future. The budget invests in efforts to upgrade and restore national parks and other public-lands areas, while engaging thousands of Americans, including youth, and veterans. The budget strengthens the President's commitment to the America's Great Outdoors initiative with a request of $5.1 billion in current funding for programs, including the operation of public land management units in BLM, NPS and FWS; the Land and Water Conservation Fund; and grants and technical assistance to States and others. This is an increase of $127.1 million compared to the 2014 enacted level.

Coupled with these efforts is a historic commitment to America's natural and cultural heritage through Land and Water Conservation Fund programs. The budget includes a 2015 combined

request of $672.3 million ($246.0 million discretionary and $426.3 million mandatory) for Interior's LWCF programs that conserve lands and support outdoor recreation. In current funding, the request for land acquisition is $147.9 million, with $39.5 million identified for Collaborative Landscape Planning projects. A total of $98.1 million is requested in current funding for LWCF conservation grants, including $48.1 million for LWCF Stateside grants.

I could not highlight our stewardship efforts without discussing the upcoming centennial of the National Park Service in 2016. Overall, the Centennial Initiative—including mandatory, discretionary, and Opportunity, Growth, and Security Initiative resources— will allow NPS to ensure that 1,700 (or 20 percent) of the highest priority park assets are restored to good condition. The effort creates thousands of jobs over three years, provides over 10,000 work and training opportunities to young people, and engages more than 265,000 volunteers in support of public lands.

The request for the Centennial Initiative proposes a $40 million increase in current appropriations in 2015, plus an additional $400 million in permanent funding each year for three years. That funding includes $100 million for a Centennial Challenge to match private philanthropy, $200 million for National Park Service facilities improvements, and $100 million for a Centennial Land Management Investment Fund to competitively allocate funds to meet land conservation and deferred maintenance needs among Interior's land-management agencies and the U.S. Department of Agriculture's U.S. Forest Service. The President's Opportunity, Growth, and Security Initiative identifies investments of $100 million for National Park Service deferred maintenance and an additional $100 million for the Centennial Land Management Investment Fund.

Strengthening Tribal Nations

Sustaining the President's commitment to tribal sovereignty and self-determination and honoring Interior's trust responsibilities to the 566 federally recognized American Indian and Alaska Native Tribes and more than 2 million people served by these programs, the 2015 budget for Indian Affairs is $2.6 billion, an increase of $33.6 million above the 2014 enacted level. The budget invests in: advancing nation-to-nation relationships and tribal self-determination, supporting and protecting Indian families and communities, sustainable stewardship of energy and natural resources, and improving education in Indian Country.

Recognizing this commitment to tribal self-governance and self-determination, the budget fully funds contract support costs Tribes incur as managers of the programs serving Native Americans. The budget requests $251 million, a $4.0 million increase over the 2014 enacted level, to fully fund estimated contract support needs in 2015.

Supporting families and communities, the 2015 budget launches the Tiwahe Initiative, with an increase of $11.6 million in social services and job training programs to address the interrelated problems of child and family welfare, poverty, violence and substance abuse in tribal communities. Tiwahe is the Lakota word for "family." Through this initiative, social services and job training programs will be integrated and expanded to provide culturally appropriate programs to assist and empower families and individuals through economic opportunity, health promotion, family stability, and strengthened communities.

Promoting public safety and tribal community resilience, the 2015 budget request includes resources to build on BIA Law Enforcement's recent successes in reducing violent crime. A pilot program will be implemented to lower repeat incarceration rates in tribally operated jails on three reservations – Red Lake in Minnesota, Ute Mountain in Colorado, and Duck Valley in Nevada – with a goal to materially lower repeat incarcerations. Through an Alternatives to Incarceration Strategy, this pilot will seek to address underlying causes of repeat offenses, such as substance abuse and lack of adequate access to social service support, through intergovernmental and interagency partnerships.

The 2015 budget request is complemented by a proposal in the President's Opportunity, Growth, and Security Initiative to further invest in economic development and education to promote strong, resilient tribal economies and improve educational opportunities in Indian Country.

Powering Our Future

As part of the President's all-of-the-above energy strategy to expand safe and responsible domestic energy production, the 2015 budget provides $753.2 million for conventional and renewable energy programs, an increase of $40.7 million above the 2014 enacted level. The budget includes measures to encourage responsible, diligent development and a fair return for American taxpayers.

Funding for conventional energy and compliance activities totals $658.4 million, an increase of $37.5 million over the 2014 level. Spending from fees and permanent funding related to onshore oil and gas activities increase $49.1 million from the 2014 level, primarily reflecting a proposal to expand onshore oil and gas inspection activities and to offset the Bureau of Land Management's inspection program costs to the taxpayer with fees from industry, similar to what the offshore industry now pays.

The budget includes $169.8 million for the Bureau of Ocean Energy Management and $204.6 million for the Bureau of Safety and Environmental Enforcement to support domestic energy production, including new leasing, strong safety oversight of offshore operations, enhanced environmental enforcement functions, and expanded training and electronic inspection capabilities.

The 2015 budget includes $94.8 million for renewable energy activities, a $3.2 million increase over the 2014 level. This funding maintains the Department's emphasis on strategic investments to advance clean energy and meet the President's goal to approve 20,000 megawatts of renewable energy on public lands by 2020 (relative to 2009 levels).

Engaging the Next Generation

The 2015 budget supports a vision to inspire millions of young people to play, learn, serve and work outdoors by expanding volunteer and work opportunities for youth and veterans. The budget proposes $50.6 million for Interior youth programs, a $13.6 million or 37 percent increase from 2014.

A key component of the Department's efforts will be partnering with youth organizations

through the 21st Century Conservation Service Corps. The proposed funding includes an increase of $8.0 million to expand opportunities for youth education and employment across the National Park Service; an additional $2.5 million for the Fish and Wildlife Service's Urban Wildlife Refuges Partnership; and a total of $4.2 million in Indian Affairs for youth programs including $2.5 million to engage youth in natural sciences. Support for the National Park Service Centennial will create thousands of jobs, and engage more than 10,000 youth in service and training opportunities and more than 265,000 volunteers.

Ensuring Healthy Watersheds and Sustainable, Secure Water Supplies

The 2015 budget addresses the Nation's water challenges through investments in water conservation, sustainability, and infrastructure critical to the arid Western United States and its fragile ecosystems.

The budget includes $66.5 million for WaterSMART programs in Reclamation and the U.S. Geological Survey, nearly a 17 percent increase from 2014, to assist communities in stretching water supplies and improving water management. In addition to $1 billion requested for the Bureau of Reclamation within the jurisdiction of the Energy and Water Subcommittee, the budget also requests $210.4 million for the U.S. Geological Survey's water programs to provide scientific monitoring, research, and tools to support water management across the Nation. This funding supports the Department's goal to increase by 840,000 acre-feet, the available water supply for agricultural, municipal, industrial, and environmental uses in the Western United States through water-conservation programs by the end of 2015.

Interior extends this commitment to Indian Country, honoring Indian water settlements with investments totaling $171.9 million in Reclamation and Indian Affairs, for technical and legal support for water settlements. This includes $147.6 million for implementation of authorized settlements to bring reliable and potable water to Indian communities, more than a 9 percent increase from 2014. Among the investments is $81 million for the ongoing Navajo-Gallup Water Supply Project, which, when completed, will have the capacity to deliver clean running water to a potential future population of approximately 250,000 people.

Building a Landscape Level Understanding of Our Resources

The 2015 budget fosters the sustainable stewardship of the Nation's lands and resources on a landscape level. Funding includes increases for scientific monitoring, research and tools to advance our understanding and ability to manage natural resources more effectively, while balancing important conservation goals and development objectives. Reflecting the President's ongoing commitment to scientific discovery and innovation to support decision making for critical societal needs and a robust economy, the budget proposes $888.7 million for research and development activities across the Department, an increase of $60.4 million over 2014. This funding will increase understanding of natural resources and the factors impacting water availability, ecosystem and species resiliency, sustainable energy and mineral development, climate resilience, and natural hazard mitigation, among others.

Complementing this budget request are two components of the President's Opportunity, Growth,

and Security Initiative: an investment of $140 million for Interior research and development as part of a government-wide effort to jumpstart growth spurred by scientific discovery; and investments to address climate resilience to better prepare communities and infrastructure, and enable them to build greater resilience in the face of a changing climate.

In ecosystems across the Nation, Interior will continue to work with local communities to leverage its efforts to improve resiliency and achieve improved environmental and economic outcomes.

Major Changes in the 2015 Request

Bureau of Land Management – The 2015 request is $1.1 billion, a decrease of $5.6 million from the 2014 enacted level. The 2015 request assumes the use of $54.5 million in proposed offsetting fees, which when included provides an effective increase of $48.9 million above 2014. The 2015 request includes $954.1 million for the Management of Lands and Resources account, and $25.0 million in current appropriations for Land Acquisition, including $2.0 million to improve access to public lands for hunting, fishing, and other recreation. The budget proposes $104.0 million for Oregon and California Grant Lands, which includes a $4.2 million decrease in Western Oregon Resource Management Planning, reflecting expected completion of six revised plans in June 2015.

To advance America's Great Outdoors, the request includes $3.5 million in program increases for recreation, cultural resources, and the National Landscape Conservation System to address the needs of recently designated units, implement travel management plans, improve visitor services, and address a backlog in cultural resources inventory and stabilization needs. The budget request also includes $4.8 million for Youth programs, an increase of $1.3 million from 2014, to put more young Americans to work protecting and restoring public lands and cultural and historical treasures.

The BLM continues to support the President's all-of-the-above energy strategy on the public lands including an initiative to encourage smart renewable energy development. The 2015 budget includes $29.2 million, essentially level with 2014, for renewable energy to continue to aggressively support wind, solar, and geothermal energy development on BLM lands. Complementing this is a $5.0 million increase in the Cadastral, Lands and Realty Management program for identification and designation of energy corridors in low conflict areas to site high voltage transmission lines, substations, and related infrastructure in an environmentally sensitive manner.

The 2015 request for Oil and Gas Management, including both direct and fee-funded appropriations, totals $133.7 million, an increase of $20.3 million in available program funding from 2014. In 2015, the budget proposes to shift the cost of oil and gas inspection and enforcement activity from current appropriations to inspection fees charged to industry. The proposed inspection fees will generate and estimated $48.0 million, providing for a $10.0 million increase in BLM's inspection and enforcement capability and allowing for a net reduction of $38.0 million in requested BLM appropriations. The request for Oil and Gas programs includes increases of $5.2 million for ongoing rulemaking efforts and to strengthen operations at BLM units and $4.6 million for oversight and permitting to better keep pace with industry demand and fully implement leasing reforms.

In 2015, BLM will release six rapid eco-regional assessments, in addition to four planned for 2014. The BLM will conduct training on the use of the data from these assessments and will work with a number of Landscape Conservation Cooperatives to begin development of regional conservation strategies. The budget includes an increase of $5.0 million for Resource Management Planning to implement BLM's enterprise geographic information system and address high priority planning. The 2015 budget maintains a $15.0 million increase to implement sage grouse conservation and restoration measures to help avoid the need for a future listing of the species for protection under the Endangered Species Act.

Other program increases include $2.8 million in the Wild Horse and Burro program to implement recommendations of the National Academy of Sciences regarding population control; and $2.8 million in Abandoned Mine Lands to implement remediation plan efforts at Red Devil Mine in Alaska. The request includes $19.0 million for the Alaska Conveyance program. Although a decrease of $3.1 million from 2014, this funding coupled with efficiencies from an improved cadastral method, plots a course to complete all surveys and land transfers in ten years.

A proposed grazing administration fee will enhance BLM's capacity for processing grazing permits. A fee of $1.00 per animal unit month, estimated to provide $6.5 million in 2015, is proposed on a pilot basis. This additional revenue more than offsets a decrease of $4.8 million in appropriated funds in Rangeland Management, equating to a $1.7 million program increase to help address the grazing permit backlog.

Bureau of Ocean Energy Management – The 2015 operating request is $169.8 million, including $72.4 million in current appropriations and $97.3 million in offsetting collections. This is a net increase of $3.4 million in current appropriations above the 2014 enacted level.

The 2015 budget maintains a strong offshore renewable energy program at essentially the 2014 level of $23.1 million for the total program. In 2013, BOEM held the first competitive Outer Continental Shelf (OCS) renewable energy lease sales, issued five other non-competitive commercial offshore wind energy leases, and approved the construction and operations plan for the Cape Wind project offshore Massachusetts.

Offshore conventional energy programs also remain essentially level with 2014, with a total of $49.6 million in 2015. In 2013, BOEM held three sales generating over $1.4 billion in high bids, and three additional lease sales are scheduled during calendar year 2014. The request of $65.7 million for Environmental Programs includes an increase of $2.5 million for work on a Programmatic Environmental Impact Statement for the next Five-Year Program (2017-2022) for oil and gas leasing on the OCS.

Bureau of Safety and Environmental Enforcement – The 2015 budget request is $204.6 million, including $81.0 million in current appropriations and $123.6 million in offsetting collections, an increase of $2.0 million from 2014. The request for offsetting collections assumes $65.0 million from offshore oil and gas inspection fees. The 2015 request allows BSEE to continue to strengthen regulatory and oversight capability on the OCS and maintain capacity in regulatory, safety management, structural and technical support, and oil spill response prevention.

The budget includes $189.7 million for Offshore Safety and Environmental Enforcement, an increase of $2.4 million. The request includes a program increase of $0.9 million to evaluate and test new technologies and update regulations to reflect improved safety and oversight protocols. Funding for Oil Spill Research is maintained at the 2014 level of $14.9 million.

Office of Surface Mining – The 2015 budget request for the Office of Surface Mining is $144.8 million, a decrease of $5.3 million from the 2014 enacted level. This includes a decrease of $13.4 million in grants to States and Tribes to encourage these regulatory programs to recover a larger portion of their costs from fees charged to the coal industry, and an increase of $4.0 million to provide additional technical support to State and tribal regulatory programs. The budget also includes an increase of $1.9 million for applied science to advance reclamation technologies. This request proposes $116.1 million for Regulation and Technology funding, $28.7 million for Abandoned Mine Reclamation Fund activities, and an additional $1.9 million in offsetting collections from recovered costs for services.

U. S. Geological Survey – The USGS budget request is $1.1 billion, $41.3 million above the 2014 enacted level. The President's budget reflects the Administration's commitment to investing in research and development to support sound decision making and sustainable stewardship of natural resources. This includes science, monitoring, and assessment activities critical to understanding and managing the ecological, mineral, energy, and water resources which underlie the prosperity and well-being of the Nation. The budget includes increases for priorities in ecosystem restoration, climate adaptation, invasive species, environmental health, and earth observations. Funding provides increased support to enhance sustainable energy development, address water resource challenges, increase landscape level understanding of the Nation's natural resources, and the Scientists for Tomorrow youth initiative.

To support sustainable management of water resources, the USGS budget includes increases totaling $6.4 million for WaterSMART programs. This includes increases for State water grants, regional water availability models, and the integration and dissemination of data through online science platforms. The budget includes increases of $2.4 million to support implementation of the National Groundwater Monitoring Network and $1.2 million for the National Streamflow Information Program for streamgages to strengthen the Federal backbone at high priority sites sensitive to drought, flooding, and potential climate change effects.

To better understand and adapt to the potential impacts of a changing climate, the USGS budget invests in research, monitoring, and tools to support improved resilience of natural systems. The National Climate Change and Wildlife Science Center and DOI Climate Science Centers are funded at $35.3 million, an increase of $11.6 million from 2014. This includes an increase of $3.0 million for grants focused on applied science and information needed by resource managers for decision making at regional levels. An increase of $2.3 million will enhance the leveraging of these investments with other Federal climate science activities and make the scientific information and products developed through these programs available to the public in a centralized, web-accessed format. Program increases of $2.5 million will support applied science and capacity-building for tribal climate adaptation needs in the CSC regions, and $3.0 million will support additional research in drought impacts and adaptive management.

The USGS budget invests in providing critical data and tools to promote understanding and managing resources on a landscape-scale. Program increases in the National Geospatial Program include $5.0 million for the 3-Dimensional Elevation Program to collect Lidar data to enhance science and emergency response activities, resource and vulnerability assessments, ecosystem based management, and tools to inform policy and management. An increase of $1.9 million is requested for modernization of The National Map, which provides critical data about the Earth, its complex processes, and natural resources. The 2015 budget includes a $2.0 million increase for the Big Earth Data initiative to improve access to and use of data from satellite, airborne, terrestrial, and ocean-based Earth observing systems. These investments will provide benefits in natural resource management and hazard mitigation, by improving access to critical information.

To support the sustainable development of energy resources, the USGS budget includes $40.7 million for conventional and renewable energy programs, $8.1 million above the 2014 enacted level. A program increase of $1.3 million will be used to study geothermal resources and build on ongoing work on wind energy impacts. The request includes $18.6 million, $8.3 million over 2014, to support research and development to better understand potential impacts of energy development involving hydraulic fracturing. Conducted through an interagency collaboration with the Department of Energy and Environmental Protection Agency, this work addresses issues such as water quality and quantity, ecosystem, community, and human health impacts, and induced seismicity. Funding for other conventional energy programs, including oil, gas, and coal assessments, totals $15.6 million.

Supporting the sustainable management and restoration of ecosystems, the 2015 budget includes $162.0 million for ecosystems science activities, $9.2 million above the 2014 enacted level. Program increases include $2.0 million for research on new methods to eradicate, control, and manage Asian carp in the Upper Mississippi River Basin and prevent entry into the Great Lakes. Increases of $2.5 million are provided for ecosystem restoration work in the Chesapeake Bay, California Bay-Delta, Columbia River, Everglades, and Puget Sound. Another $2.0 million will support the science and integration of ecosystems services frameworks into decision making and efforts to assess and sustain the Nation's environmental capital. Program increases totaling $1.8 million will address native pollinators, brown treesnakes, and new and emerging invasive species of national concern.

Supporting understanding, preparedness, and mitigation of the impacts of natural hazards, the budget provides $128.3 million for Natural Hazards activities, which is essentially level with 2014. This activity provides scientific information and tools to reduce potential fatalities, injuries, and economic loss from volcanoes, earthquakes, tsunamis and landslides, among others. The 2015 budget includes an increase of $700,000 in Earthquake Hazards for induced seismicity studies related to hydraulic fracturing.

Fish and Wildlife Service – The 2015 Fish and Wildlife Service budget includes $1.5 billion in current appropriations, an increase of $48.8 million above the 2014 level. This includes America's Great Outdoors related increases of $71.7 million in the Resource Management account. Among the increases proposed are: $6.6 million to address increased workload in planning and consultation for energy transmission and other projects, $7.7 million for cooperative efforts to

recover imperiled species, $4.0 million to support conservation of the greater sage grouse across 11 western states, $2.0 million to investigate crimes and enforce laws that govern the Nation's wildlife trade, and $2.5 million to establish an Urban Wildlife Refuge Partnership program. This effort will encourage city dwellers to enjoy the outdoors by creating stepping stones of engagement to connect them to the outdoors on refuges and partner lands, through experiences which build on one another.

Funding for FWS grant programs, with the exception of State and Tribal Wildlife Grants, remain level with 2014. In 2015, funding for State and Tribal Wildlife Grants totals $50 million. The request also includes $55.0 million for Land Acquisition and $15.7 million for Construction. In addition to direct appropriations, an estimated $1.3 billion will be available under permanent appropriations, most of which will be provided directly to States for fish and wildlife restoration and conservation.

The budget proposes $16.7 million, an increase of $2.5 million, for activities associated with energy development. Of this increase, $1.4 million supports scientific research into the impacts of energy transmission and development infrastructure on wildlife and habitat. The research will identify potential impacts associated with the development of energy infrastructure and strategies to minimize the impacts on habitat and species. An increase of $1.1 million for the Ecological Services Planning and Consultation program supports assessments of renewable energy projects proposed for development.

The budget request for the Resource Management account continues support for key programs with program increases of $65.8 million above 2014. The request provides $252.2 million in Ecological Services to conserve, protect, and enhance listed and at-risk species and their habitat, an increase of $30.3 million. Within this request are increases of $4.0 million to support conservation of the greater sage grouse across 11 western States and $10.5 million to implement other species recovery actions.

The request includes funding within Law Enforcement and International Affairs to combat wildlife trafficking. The budget provides $66.7 million for the law enforcement program to investigate wildlife crimes, enforce the laws governing the Nation's wildlife trade, and expand technical forensic expertise, with program increases of $2.0 million over 2014.

The budget includes $138.9 million for Fisheries and Aquatic Resource Conservation, a program increase of $8.2 million. Within this request is $48.6 million for operation of the National Fish Hatchery system to address top priorities, an increase of $1.9 million for fish hatchery maintenance, and $4.4 million to prevent the spread of Asian carp in the Missouri, Ohio, upper Mississippi Rivers, and other high priority watersheds.

Funding for Cooperative Landscape Conservation activity is $17.7 million, an increase of $3.2 million, and funding for Science Support is $31.6 million, an increase of $14.4 million. The budget supports applied science directed at high impact questions to mitigate threats to fish and wildlife resources, including $2.5 million to address white nose syndrome in bats, and an increase of $1.0 million to study biological carbon sequestration.

The 2015 budget proposes to eliminate the current funding contribution to the National Wildlife Refuge fund, a reduction of $13.2 million below 2014. An estimated $8.0 million in permanent receipts collected and allocated under the program would remain available to counties. The budget also proposes cancellation of $1.4 million in prior year balances from the Landowner Incentive and Private Stewardship Grant programs, which have not received new budget authority in several years.

National Park Service – The 2015 budget request for NPS of $2.6 billion is $55.1 million above the 2014 enacted level.

In 2015, a total of $2.5 billion is requested for NPS as part of America's Great Outdoors. This includes $2.3 billion for park operations, an increase of $47.1 million over 2014. Within this increase is $30.0 million to support the NPS Centennial Initiative. The Centennial increase includes $16.0 million for repair and rehabilitation projects to improve high priority projects throughout the parks, $8.0 million in competitively managed funds to support enhanced visitor services in the areas of interpretation and education, law enforcement and protection, and facility operations, $4.0 million for 21 CSC youth work opportunities to engage youth in service and conservation projects, and $2.0 million to support expanded volunteer opportunities at the parks. Across these Centennial increases, the budget provides an $8.0 million increase for youth engagement and employment opportunities, and continues the NPS' efforts to attract qualified veteran candidates to fill Federal positions. The request for Park Operations also includes increases of $15.7 million for increased fixed costs and $2.0 million to support new park units.

Also in preparation for the Centennial anniversary of the parks, the 2015 request includes $10.0 million in a separate account for Centennial Challenge projects. This funding will provide a Federal match to leverage partner donations for signature projects and programs at the parks. This program will be instrumental in garnering partner support to prepare park sites across the country for the centennial and through the second century of the NPS.

The 2015 request for the Historic Preservation Fund is $56.4 million, level with 2014. Of this total, $46.9 million is requested for grants-in-aid to States and Territories, $9.0 million for grants-in-aid to Tribes, and $500,000 to be awarded competitively to address communities currently underrepresented on the National Register of Historic Places.

The budget includes $52.0 million within the National Recreation and Preservation account, which includes $10.0 million for the Rivers, Trails, and Conservation Assistance program, essentially level with 2014, and $1.2 million for American Battlefield Protection Program assistance grants, also level with 2014. The request includes a program reduction of $9.1 million from Heritage Partnership programs to encourage self-sufficiency for these non-Federal organizations.

Programs funded out of the Land and Water Conservation Fund are a key component of America's Great Outdoors. The budget requests $104.0 million for the Land Acquisition and State Assistance account, an increase of $5.9 million. This includes $48.1 million for the State Conservation Grants program, level with 2014, and $55.9 million for NPS Federal land acquisition, a programmatic increase of $5.8 million. Of this amount, $13.2 million supports Collaborative Landscape projects in the California Southwest Desert and areas within the National Trails System.

Funding for Construction totals $138.3 million, essentially level with 2014. Of this amount, the budget includes $61.7 million for line-item construction projects, a $1.1 million program increase compared to 2014. The request includes $6.7 million to reconstruct the historic cave tour trails in Mammoth Cave National Park and $3.9 million to stabilize and repair exterior walls of the historic Alcatraz prison cell house at Golden Gate National Recreation Area.

Indian Affairs – The 2015 budget includes $2.6 billion for Indian Affairs programs, an increase of $33.6 million from the 2014 enacted level. This includes an increase of $33.8 million for Operation of Indian Programs; and level funding of $35.7 million for Indian Land and Water Claim Settlements, $109.9 for Construction, and $6.7 million for the Indian Guaranteed Loan program.

Within the Operation of Indian Programs, the budget includes full funding of $251.0 million for Contract Support Costs and the Indian Self-Determination Fund, an increase of $4.0 million from 2014. Consistent with the 2014 Operating Plan, the 2015 request provides full funding based on the most current estimated need. The availability of contract support cost funding is a key factor in tribal decisions to assume responsibility for operating Federal programs important to the furtherance of self-governance and self-determination. To further facilitate Tribal 638 Contracting, the budget includes an additional $1.2 million to increase services from the Department's Office of Indirect Cost Negotiations which negotiates indirect cost rates with non-Federal entities, including tribal governments. Consistent with Subcommittee direction and in collaboration with the Indian Health Service (IHS), the Department held its first formal consultation on March 11, 2014 with tribes to discuss long-term solutions to Contract Support Cost issues. The Department remains committed to working with IHS, tribes, and Congress to develop a long-term strategy for addressing this important issue.

The 2015 budget for Indian Affairs includes an increase of $11.6 million for the Tiwahe or "family" Initiative. The initiative takes a comprehensive and integrated approach to address the interrelated problems of poverty, violence, and substance abuse in Indian communities. The initiative builds on and expands social service, Indian child and family welfare, and job training programs. In recognition that adequate housing is essential to building stronger families, the budget maintains the 2014 level for the Housing Improvement Program. The goal of the Tiwahe Initiative is to empower American Indian individuals and families in health promotion and family stability, and to strengthen tribal communities as a whole. To better target funding and evaluate outcomes in meeting social service needs in Indian Country, the budget includes $1.0 million as part of the initiative.

The budget provides strong support for the sustainable stewardship of land and resources in Indian Country, sustaining funding for trust land management and real estate services at 2014 levels and proposing program increases of $3.6 million for the stewardship of natural resources. Funding supports the development of natural resource science, information, and tools for application in the development and management of energy and minerals, water, forestry, oceans, climate resilience, and endangered and invasive species. Demonstrating the Administration's commitment to resolving tribal water rights and ensuring that tribes have access to meet their water needs, $171.9 million is provided across the Department for implementation of, and technical and legal support for, Indian water rights settlements, an increase of $13.8 million over 2014. A program

increase of $1.0 million is also provided in Indian Affairs for deferred maintenance on Indian irrigation projects to help address drought issues in Indian Country.

The budget supports improving educational outcomes in Indian Country, providing $794.4 million for the Bureau of Indian Education, an increase of $5.6 million from 2014. The request includes an increase of $500,000 for Johnson O'Malley Education Assistance Grants to support a new student count in 2015 and funding to address the projected increase in the number of eligible students. The budget includes $1.0 million to support ongoing evaluation of the BIE school system to improve educational outcomes. Within education construction, an increase of $2.3 million supports site development at the Beatrice Rafferty School for which design funding was provided in 2014. The budget also includes $2.3 million in increases for BIE funded post-secondary programs including $1.7 million for post-graduate opportunities in science fields, and $250,000 for summer pre-law preparatory scholarships.

Departmental Offices and Department-wide Programs – The 2015 request for the Office of the Secretary is $265.3 million, an increase of $1.3 million from the 2014 enacted level. Of this, $122.9 million is for the Office of Natural Resources Revenue programs, an increase of $3.5 million, reflecting increases to strengthen production verification and meter inspections activities, including implementing an onshore production verification pilot and funding related data integration. Other changes include the proposed transfer of the Indian Arts and Crafts Board from the Office of the Secretary to the Bureau of Indian Affairs of $1.3 million, a decrease of $865,000 reflecting a shift from direct appropriations to fee for service for Indirect Cost Negotiations, and a program decrease of $266,000 in Valuation Services.

The budget request for the Office of Insular Affairs is $92.2 million, a decrease of $10.2 million from the 2014 enacted level. The budget includes an increase of $3.0 million to address urgent, immediate needs in the insular areas, and $1.8 million to improve safety conditions in insular school facilities. A decrease of $500,000 reflects completion of an aerial bait system for brown treesnake control. Compact Impact is funded at $1.3 million, a decrease of $1.7 million from 2014, and is supplemented by $30.0 million annually in permanent Compact Impact funding. Funding of $13.1 million for the Palau Compact Extension is not requested for 2015 as it is expected the Compact will be authorized and funded from permanent appropriations in 2014.

The Office of Inspector General request is $50.0 million, a decrease of $784,000 from 2014. The budget includes a decrease of $2.0 million reflecting completion of an effort to reduce OIG's physical footprint. Increases of $423,000 and $355,000 are included to support the council of the Inspectors General on Integrity and Efficiency and provide additional FTE for information security audits, respectively. The Office of the Solicitor request is $65.8 million, equal to the 2014 enacted level.

The Office of the Special Trustee request is $139.0 million, $648,000 below the 2014 enacted level. The 2015 budget decreases Business Management funding by $1.6 million reflecting $922,000 in efficiencies from the transfer of some mailing and printing services to the U.S. Department of the Treasury, a reduction of $500,000 in litigation support, and a decrease of $200,000 in funding for the Office of Hearings and Appeals.

The 2015 request for the Department-wide Wildland Fire Management program is $794.0 million without the proposed fire cap adjustment, and $1.0 billion including the adjustment. The request includes $268.6 million for Suppression within the current budget cap, which is 70 percent of the 10 year suppression average spending. This base level funding ensures the cap adjustment of $240.4 million would only be used for the most severe fires, since it is one percent of the fires that cause 30 percent of the costs. The new budget framework for Wildland Fire Management eliminates the need for additional funds through the FLAME Act. The 2015 budget includes a program increase of $34.1 million for Preparedness activities to enhance readiness capabilities. The budget includes $146.3 million for Fuels Management activities, formerly known as Hazardous Fuels Management. This is equal to the 2014 enacted level with an increase of $1.3 million for fixed costs. Complementing this request is $30.0 million for Resilient Landscapes, a new component of the Wildland Fire Management program, to support treatments that improve the integrity and resilience of forests and rangelands. Resilient landscape projects will be leveraged with bureau efforts to reduce fire risk and improve overall resiliency. The budget request also includes a $2.0 million increase for the Burned Area Rehabilitation program to address greater post-fire rehabilitation needs caused by the 2012 and 2013 fire seasons.

The 2015 request for the Natural Resource Damage Assessment and Restoration Fund is $7.8 million, a program increase of $1.5 million. The increase includes $1.0 million for a Department-wide onshore Oil Spill Preparedness Program, and additional resources for Restoration support. The budget includes $10.0 million for the Central Hazardous Materials Fund, an increase of $412,000 from 2014 to support additional cleanup work.

The Department's 2015 request for the Working Capital Fund appropriation is $64.3 million, an increase of $7.3 million from the 2014 enacted level. Within this request is $53.9 million for the operation and maintenance of the Financial and Business Management System, an increase of $1.0 million to continue support of the Department's Cultural and Scientific Collections Management initiative, a decrease of $1.0 million from the Department's Service First initiative, and an increase of $8.4 million to support Interior's Office Consolidation strategy in the D.C metropolitan area.

Mandatory Proposals

The 2015 budget includes 15 legislative proposals affecting spending, revenue and available budget authority, which require action by the Congressional Authorizing Committees. Revenue and savings proposals will generate more than $2.6 billion over the next decade. The 2015 budget includes four spending proposals with an estimated $9.9 billion in outlays over the next decade.

Land and Water Conservation Fund – The 2015 budget proposes $900.0 million in current and permanent funding in 2015, and proposes permanent authorization of $900.0 million in mandatory funding for LWCF programs in the Departments of the Interior and Agriculture beginning in 2016. During a transition to permanent funding in 2015, the budget proposes $900.0 million in total LWCF programs funding, comprised of $550.0 million permanent and $350.0 million current funding, shared by Interior and Agriculture.

Centennial Initiative – The Centennial Initiative includes a legislative proposal to authorize $1.2 billion in permanent funding over three years beginning in 2015 in the following areas: $300.0 million ($100.0 million a year for 3 years) for a National Park Service Centennial Challenge fund to leverage private donations; $600.0 million ($200.0 million a year for 3 years) for NPS deferred maintenance; and $300.0 million ($100.0 million a year for 3 years) for a multiagency Centennial Land Management Investment Fund to competitively award grants to Interior land management agencies and the U.S. Forest Service for deferred maintenance and conservation projects.

Payments in Lieu of Taxes – The Agricultural Act of 2014 included a one-year extension of permanent PILT funding through 2014. The 2015 budget proposes to extend authorization of the program an additional year through 2015, while a sustainable long-term funding solution is developed for the PILT Program. The PILT payments help local governments carry out vital services, such as firefighting and police protection, construction of public schools and roads, and search and rescue operations. The cost of a one-year extension is estimated to be $442.0 million in 2015. The 2015 budget for the USDA Forest Service includes a proposal to reauthorize the Secure Rural Schools Program for a five year period, covering lands managed by the BLM.

Palau Compact – On September 3, 2010, the U.S. and the Republic of Palau successfully concluded the review of the Compact of Free Association and signed a 15-year agreement that includes a package of assistance through 2024. The 2015 budget assumes authorization of permanent funding for the Compact occurs in 2014. The cost for this proposal is estimated at $178.3 million for 2015 through 2024.

Federal Oil and Gas Reforms – The budget includes a package of legislative reforms to bolster and backstop administrative actions being taken to reform the management of Interior's onshore and offshore oil and gas programs, with a key focus on improving the return to taxpayers from the sale of these Federal resources. Proposed statutory and administrative changes fall into three general categories: 1) advancing royalty reforms, 2) encouraging diligent development of oil and gas leases, and 3) improving revenue collection processes. Collectively, these reforms will generate roughly $2.5 billion in net revenue to the Treasury over ten years, of which about $1.7 billion would result from statutory changes. Many States will also benefit from higher Federal revenue sharing payments.

Return Coal Abandoned Mine Land Reclamation Fees to Historic Levels – The budget proposes legislation to modify the 2006 amendments to the Surface Mining Control and Reclamation Act, which lowered the per-ton coal fee companies pay into the AML Fund. The proposal would return the fee to 35 cents a ton, the same level companies paid prior to the 2006 fee reduction. The additional revenue, estimated at $362 million over ten years, will be used to reclaim high priority abandoned coal mines and reduce a portion of the estimated $3.9 billion needed to address remaining dangerous coal AML sites nationwide.

Discontinue AML Payments to Certified States – The budget proposes to discontinue unrestricted payments to States and Tribes certified for completing their coal reclamation work. This proposal terminates all such payments, with estimated savings of approximately $295 million over the next ten years.

Reclamation of Abandoned Hardrock Mines – To address the legacy of abandoned hardrock mines across the U.S. and hold the hardrock mining industry accountable for past mining practices, the Department will propose legislation to create a parallel Abandoned Mine Lands Program for abandoned hardrock sites. A new AML fee on hardrock production on both public and private lands would generate an estimated $1.8 billion to reclaim the highest priority hardrock abandoned sites on Federal, State, tribal, and private lands.

Reform Hardrock Mining on Federal Lands – Interior will submit a legislative proposal to provide a fair return to the taxpayer from hardrock production on Federal lands. The legislative proposal will institute a leasing program under the Mineral Leasing Act of 1920 for certain hardrock minerals including gold, silver, lead, zinc, copper, uranium, and molybdenum, currently covered by the General Mining Law of 1872. The proposal is projected to generate net revenues to the U.S. Treasury of $80 million over ten years, with larger revenues estimated in following years.

Geothermal Energy Receipts – The Department proposes to repeal Section 224(b) of the Energy Policy Act of 2005. The repeal of Section 224(b) will permanently discontinue payments to counties and restore the disposition of Federal geothermal leasing revenues to the historical formula of 50 percent to the States and 50 percent to the Treasury. This results in estimated savings of $4 million in 2015 and $42 million over ten years.

Federal Land Transaction Facilitation Act – The Department proposes to reauthorize this Act to allow Federal lands identified as suitable for disposal in recent land use plans to be sold using this authority. The sales revenues would continue to fund the acquisition of environmentally sensitive lands and administrative costs associated with conducting the sales.

Federal Migratory Bird Hunting and Conservation Stamps – Federal Migratory Bird Hunting and Conservation Stamps, or Duck Stamps, are the annual Federal license required for hunting migratory waterfowl. The receipts generated from the sale of these $15.00 stamps are used to acquire important migratory bird areas for migration, breeding, and wintering. The Department proposes legislation to increase these fees which have not increased since 1991, to $25.00 per stamp per year beginning in 2015. This increase will add an estimated $14 million for migratory bird conservation annually.

Bureau of Land Management Foundation – The budget proposes legislation to establish a congressionally-chartered National BLM Foundation. This Foundation will provide an opportunity to leverage private funding to support public lands, achieve shared outcomes, and focus public support on the BLM mission.

Recreation Fee Program – The Department of the Interior proposes to permanently authorize the Federal Lands Recreation Enhancement Act, which will expire in December 2015. The Department currently collects over $200 million in recreation fees annually under this authority and uses them to enhance the visitor experience at Interior facilities.

Fire Suppression and the Discretionary Budget Cap

The 2015 budget proposes to amend the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, to establish a new framework for funding Fire Suppression Operations to provide stable funding for fire suppression while minimizing the adverse impacts of fire transfers on the budgets of other programs, as well as reduce fire risk, manage landscapes more comprehensively, and increase the resiliency of public lands and the communities that border them. Under this new framework, the 2015 budget request covers 70 percent of the 10-year suppression average within the domestic discretionary caps and a portion is funded in a budget cap adjustment. Extreme fires requiring emergency response, fires threatening urban areas, or requirements of an abnormally high fire season, would be permitted to be funded through the adjustment to discretionary spending limits. The cap adjustment does not increase overall current spending, as it reduces the ceiling for the existing disaster relief cap adjustment.

Offsetting Collections and Fees

The budget includes the following proposals to collect or increase various fees, so industry shares some of the cost of Federal permitting and regulatory oversight.

New Fee for Onshore Oil and Gas Inspections – Through appropriations language, the Department proposes to implement an inspection fee in 2015 for onshore oil and gas activities subject to inspection by BLM. The proposed fee is expected to generate $48.0 million in 2015, $10.0 million more than the corresponding $38.0 million reduction in requested appropriations, thereby expanding the capacity of BLM's oil and gas inspection program. The fee is similar to one already in place for offshore operations and will support Federal efforts to increase production accountability, human safety, and environmental protection.

Grazing Administrative Fee – The 2015 budget proposes a new grazing administrative fee of $1 per animal unit month. The BLM proposes to implement this fee through appropriations language on a three-year pilot basis. The provision will generate an estimated $6.5 million in 2015 to assist BLM in processing grazing permits.

National Wildlife Refuge Damage Cost Recovery – The budget proposes appropriations language to authorize the Fish and Wildlife Service to pursue and retain recoveries from responsible parties, to be used to restore or replace damaged National Wildlife Refuge resources.

Cost Recovery for Nontoxic Shot Approvals – The budget proposes appropriations language to allow the Fish and Wildlife Service to retain and use fees collected for the review of nontoxic shot products. Nontoxic shot is a substitute for lead shot, banned for waterfowl hunting since 1991.

Conclusion

Thank you for the opportunity to testify on the President's 2015 budget request for the Department of the Interior. This budget is responsible, and proposes to maintain core capabilities with targeted investments to advance the stewardship of lands and resources, renewable energy, oil and gas development and reforms, water conservation, youth employment and engagement, and

improvements in the quality of life in Indian communities. I thank you again for your continued support of the Department's mission. I look forward to answering questions about this budget. This concludes my written statement.

Sally Jewell
Secretary of the Interior

Sally Jewell was sworn in as the 51st Secretary of the Interior on April 12, 2013.

In nominating Jewell, President Obama said, "She is an expert on the energy and climate issues that are going to shape our future. She is committed to building our nation-to-nation relationship with Indian Country. She knows the link between conservation and good jobs. She knows that there's no contradiction between being good stewards of the land and our economic progress; that in fact, those two things need to go hand in hand."

As Secretary of the Interior, Jewell leads an agency with more than 70,000 employees. Interior serves as steward for approximately 20 percent of the nation's lands, including national parks, national wildlife refuges, and other public lands; oversees the responsible development of conventional and renewable energy supplies on public lands and waters; is the largest supplier and manager of water in the 17 Western states; and upholds trust responsibilities to the 566 federally recognized American Indian tribes and Alaska Natives.

Prior to her confirmation, Jewell served in the private sector, most recently as President and Chief Executive Officer of Recreation Equipment, Inc. (REI). Jewell joined REI as Chief Operating Officer in 2000 and was named CEO in 2005. During her tenure, REI nearly tripled in business to $2 billion and was consistently ranked one of the 100 best companies to work for by Fortune Magazine.

Before joining to REI, Jewell spent 19 years as a commercial banker, first as an energy and natural resources expert and later working with a diverse array of businesses that drive our nation's economy. Trained as a petroleum engineer, Jewell started her career with Mobil Oil Corp. in the oil and gas fields of Oklahoma and the exploration and production office in Denver, Colo. where she was exposed to the remarkable diversity of our nation's oil and gas resources.

An avid outdoorswoman, Jewell finds time to explore her backyard in the Pacific Northwest where she enjoys skiing, kayaking, hiking and other activities. She has scaled Mount Rainier on seven occasions, and recently climbed Vinson Massif, the highest mountain in Antarctica.

Jewell has worked to ensure that public lands are accessible and relevant to all people from all backgrounds, and to build a connection between the great outdoors and a new generation of Americans.

Jewell is a graduate of the University of Washington. She and her husband, Warren, have two adult children, Peter and Anne.

Michael L. Connor
Deputy Secretary

Michael L. Connor was confirmed as Deputy Secretary of the Department of the Interior on February 27, 2014. He was nominated for the position on July 30, 2013, after serving as the Commissioner of the Bureau of Reclamation since 2009. During his tenure as Commissioner of the Bureau of Reclamation, he led Reclamation's efforts to promote the sustainable use of water to effectively address current and future challenges associated with water supply and power generation in the American West.

Connor has nearly two decades of experience in the public sector having served in the Department of the Interior from 1993-2001 in the Solicitor's Office, and then as Director of the Secretary's Indian Water Rights Office. From 2001 until his appointment as Commissioner, Connor served as Counsel to the U.S. Senate Energy and Natural Resources Committee where he managed legislation for both the Bureau of Reclamation and the U.S. Geological Survey and handled Native American issues that were within the Energy Committee's jurisdiction.

Connor received his J.D. from the University of Colorado Law School and is admitted to the bars of Colorado and New Mexico. He previously received a Bachelor of Science degree in Chemical Engineering from New Mexico State University and worked for General Electric.

Rhea Suh
Assistant Secretary for Policy, Management and Budget

Rhea S. Suh was confirmed by the U.S. Senate and sworn into office as Assistant Secretary for Policy, Management and Budget at the Department of the Interior on May 19, 2009. President Obama nominated her for this position on March 25, 2009.

As Assistant Secretary for Policy, Management and Budget, Suh oversees programmatic, administrative and financial policy for the Department, including budget formulation and implementation.

Before becoming Assistant Secretary, Suh served as a program officer and manager at the David and Lucile Packard Foundation, where she planned and managed a $200 million, six-year initiative to build ecological integrity and resilience in key lands and watersheds in western North America.

From 1998 to 2007, Suh was a program officer at The William and Flora Hewlett Foundation, where she managed the foundation's portfolio of grants designed to protect the ecosystems of the western part of North America. She also created the Hewlett Foundation's energy program; spearheaded early efforts to support diverse communities, including environmental justice groups; and developed new strategies to strengthen the voice of hunter and angler groups on conservation issues. In addition, she led the Foundation's successful effort to help protect 21 million acres of coastal temperate rainforest, known as the Great Bear Rainforest, in British Columbia. Previously, she served as a consultant for the National Park Service where she developed educational strategies and programs for under-served constituencies, bringing National Park lessons to a broader audience in public schools.

During the Clinton administration, Suh served as a senior legislative assistant on the staff of Sen. Ben Nighthorse Campbell, where she worked on public lands management and regulatory issues with respect to energy, air and water.

Suh is a graduate of Barnard College, Columbia University, where she earned a Bachelor of Arts degree, and the Graduate School of Education at Harvard University, where she earned a Masters of Education, Administration, Planning and Social Policy. She has received both a Fulbright Fellowship and a Marshall Memorial Fellowship.

Pamela K. Haze
Deputy Assistant Secretary – Budget, Finance, Performance, and Acquisition

Pamela Haze is the Deputy Assistant Secretary – Budget, Finance, Performance and Acquisition. She was appointed to this position in October, 2009. She is responsible for oversight and management of the Department's programs and policies in budget, finance, acquisition and property management, performance management, and small and disadvantaged business.

Prior to her appointment as the Deputy Assistant Secretary, Ms. Haze was the Director of the Department's Office of Budget, a position she occupied beginning on January 5, 2007. She served as the Deputy Director and Co-Director of the Office of Budget from December, 1999 to December 2006.

Ms. Haze has spent the majority of her 34-year Federal career with the Department of the Interior. She worked for Interior bureaus including the Fish and Wildlife Service, the U.S. Geological Survey, the Bureau of Land Management, and the Bureau of Outdoor Recreation. Her experience with Interior agencies includes working as a planner, hydrologist, field biologist, contaminant biologist, program analyst, administrator, budget analyst, and manager.

Ms. Haze has experience with other Federal agencies including the Small Business Administration and the Office of the Federal Inspector for the Alaska Natural Gas Transportation System, an agency that was in operation during the 1980's to facilitate completion of the Alaska natural gas pipeline. She also worked for Cambridge Scientific Abstracts.

Ms. Haze received an undergraduate degree in wildlife biology and a graduate degree in environmental science/ecology at George Mason University.

Mr. CALVERT. And I am happy to recognize the Chairman of the full Committee for any questions he may have.

Mr. ROGERS. Thank you, Mr. Chairman.

And, Madam Secretary, thank you for your excellent statement.

LAKE CUMBERLAND

I want to compliment you on a particular item, a parochial matter of mine, which we have talked about even today, and that is the problem with the lake level at Lake Cumberland, which has been down 40 feet in water level for 7 years because of repairs to the dam. But in the meantime, as we then began to ramp back up to fill the lake back up to its full capacity—it is the biggest tourist attraction, I think, in Kentucky—we encountered a problem with the U.S. Fish and Wildlife Service, who found a minnow in the upper reaches of the lake which they said, if we filled the lake back up, it would drown those fish, which I am still having some difficulty wrapping my arms around.

Nevertheless, by law, U.S. Fish and Wildlife had to conduct a biological study, which they undertook. And because of the urgency of the problem, because of the spring rains and the filling of the lake for the coming summer season, the Fish and Wildlife agency, under your jurisdiction, took this personally, and you did, and I appreciate that. And, just yesterday, the Fish and Wildlife Service issued their report some several weeks earlier than they expected to.

And the Corps today has informed me that they now will proceed. They are going to take some of these snails, duskytail darters they call them, and put them in a fish hatchery and nurture them for a period of time, and then eventually relocate them back into their habitat once the lake level is up to its higher level. And that is a good outcome.

And that is going to happen, they tell me—the Corps says they can do this before the middle of May, which means the lake level can be raised to its summer pool for the summer. And that is great news economically for our region. We have lost all sorts of businesses over these 7 years. Marinas have closed; boat manufacturers have shut down. Now we can resume, hopefully, the very successful tourist effort that Lake Cumberland is.

Thank you very much for attending to that forthwith.

I yield.

Mr. CALVERT. I thank the Chairman. And I feel your pain on minnows, Mr. Chairman.

With that, I would be happy to recognize the Ranking Member, Ms. Lowey, for any questions she may have.

Mrs. LOWEY. Thank you very much.

HURRICANE SANDY SUPPLEMENTAL

The Department of the Interior recently received approximately $860 million for habitat restoration, coastal resiliency, and building repairs to Interior facilities in the Hurricane Sandy supplemental. I am very pleased that the Department has allocated the vast majority of its supplemental funding and is presently reviewing proposals for $100 million in coastal resiliency competitive funding to help local communities better prepare for future storms.

The town of Stony Point, the Orange County Soil and Water Conservation District, the New England Interstate Water Pollution Control Commission have submitted applications to the Coastal Resiliency Competitive Grant Program for important projects to improve coastal habitat and infrastructure in my district.

When do you think you are going to announce the awards for this grant program?

Secretary JEWELL. Thanks very much for the question.

There was $100 million set aside for competitive grants, as you referenced. We received 378 proposals for a total of $568 million. They are being evaluated right now. We expect that our panel of experts will have decisions made by June of 2014.

I might also mention that New York alone has 84 of those proposals, totaling $112 million. You have been well-represented, which is terrific.

We are working really hard to make sure that, as we invest these moneys, they help us learn about how to deal with future catastrophic events like this and how to prepare our landscape so that should something like this happen and not as a 100-year storm but more frequent, we are ready and we don't experience the same level of devastation.

Mrs. LOWEY. Thank you.

NATIONAL HERITAGE AREAS

One other question. Under the budget request, the National Heritage Area Program would be funded at $9.2 million, a nearly 50 percent reduction from fiscal year 2014.

Last year, the National Park Service released a report stating that the 49 National Heritage Areas contribute $12.9 billion annually to the national economy, supporting 148,000 jobs, generating $1.2 billion in Federal tax receipts. In my region, the Hudson River Valley National Heritage Area contributes $538 million to the State's economy, supports 6,530 jobs, and generates $66.6 million in tax revenue. It is a very important program, spurs tourism and economic development and is very popular among my constituents.

Are you concerned that slashing funding by nearly half would jeopardize the contributions that heritage areas make to promote job creation and outdoor recreation? And could you please explain why the proposed cut to the program is so large?

Secretary JEWELL. Ranking Member Lowey, I completely agree that heritage areas are very important. There is one particular opportunity that I have been working on for over 20 years in my home State that we hope will earn that status at some point, because they do drive tourism and recreation. They help us tell the stories of our history and our culture in our natural areas.

They are also unique in that they are supported largely with public-private partnerships. What we hope the National Park Service brings is recognition and perhaps the famous arrowhead logo that folks want that helps drive tourism and traffic to an area. We also want to encourage local communities to step up and support these places themselves.

We have to make hard choices in the budget, and the 50 percent cut is not reflective of a lack of support and appreciation for heritage areas. It is more reflective of heritage areas having an oppor-

tunity to work with local communities to get additional funding. We want to try and encourage that activity while supporting communities that want to use heritage areas now and in the future to highlight their activities.

It is not a happy cut that was made to the budget, but it is not reflective of a lack of commitment to the program. It is more reflective of the way the program is designed to operate in partnership with communities.

Mrs. LOWEY. Well, thank you, Mr. Chairman.

YOUTH

And I just want to say that I love your $4 million request for youth programs. And I know we will have an opportunity to hear from you another time when I didn't have to run and vote about all the good things you want to do with it. It is so important to get our kids outdoors, away from those iPhones—the adults, too—and get us off to the national parks.

Thank you so much for your leadership.

Secretary JEWELL. Thank you very much.

Mr. CALVERT. I thank the gentlelady for her question.

We have about 3½ minutes left in the vote. At this point, we will suspend and recess and encourage Members to return after votes for further questions for the Secretary.

Thank you.

[Recess.]

Mr. CALVERT. In the interest of time, I think I will probably get forgiveness from my colleagues on the other side, and since Mr. Simpson has a hearing going on next-door, I am going to recognize him first for his questions.

Mr. SIMPSON. Thank you, Mr. Chairman. I appreciate it.

And thank you all for being here, Mike and Secretary Jewell, Rhea and Pam. It is great to have you here. I appreciate your opening testimony. Let me ask a question.

WILDLAND FIRE PROPOSAL

And I appreciate the mentioning of the wildfire-fighting bill that we have before Congress. When you put your budget together, was it based on wildfire-fighting bill, that is currently in the House and the Senate?

Secretary JEWELL. You were working on yours as we were working on our budget. Rhea was working very closely with OMB, and I just want to applaud her efforts on making sure that the Administration fully understood the issues.

I can't say that the budget perfectly aligns with the bill. The basic core is the same.

I will turn to Rhea, who has a lot more detail on what is in the budget and what is in your bill.

Mr. SIMPSON. Okay.

Ms. SUH. Mr. Chairman, we very much appreciate your leadership, as the Secretary stated. As we went through the formulation process, we tried to mirror as closely as possible what we understood your interests in the legislation to be, which are similar, obviously, in both the House and the Senate.

Yes, I think we are almost 100 percent lockstep in concept. There are a couple of individual places where we diverge, but essentially it is the same thing.

Mr. SIMPSON. Have you funded the expected wildfire-fighting costs not at the 10-year average but at 70 percent of the 10-year average in this bill? Is that your recommendation?

Ms. SUH. Yes, 70 percent of the 10-year average is included in the discretionary request in the budget. Thirty percent of the 10-year average is part of what we are asking for the cap adjustment to be.

Mr. SIMPSON. So if that cap adjustment does not happen, if we don't pass either the wildfire-fighting bill or a cap adjustment in an appropriation bill, which would then make it subject to the Budget Committee—which would be a problem, so we have to pass that wildfire-fighting bill to get the cap adjustment——

If we end up not being able to do that, because there are some people opposed to this—I can't imagine why, but there are some people that are opposed to it—does that put us in a more difficult position, in that we are going to then be borrowing even more out of the accounts we are trying to stop borrowing out of?

Ms. SUH. Sir, that is exactly right. I think it puts us squarely back in the very irrational place of having to rob Peter to pay Paul, not having predictable, reliable sources of funding for our preparedness programs, including our hazardous fuels program.

I think if we are unsuccessful in getting a cap adjustment, we all face very large challenges in terms of how we actually appropriately fund fire moving forward.

Mr. SIMPSON. Yeah.

And I think it is very important for people to understand that we are not trying to fund—we are not trying to find more money to spend on wildfires. We are going to spend whatever it takes to put the wildfires out. What we are trying to do is change the habit of borrowing out of accounts, repaying them later, most of the time anyway, when the season is over and stuff. And instead of trying to pay for a natural disaster after it is happened, like you do in hurricanes and other disasters, we are trying to change how we manage the account as we are fighting the wildfires.

So I appreciate what you are doing here, but we need to understand as a committee that we need to get this wildfire-fighting bill done if, in fact, we are going to fund wildfire fighting at 70 percent of the cost. Otherwise, you are going to have to put in the 10-year average under the FLAME Act, both in your budget and in the Forest Service budget.

SAGE GROUSE

Second question, sage grouse. Not surprisingly, some of the States are complaining that they are not being involved as fully as they would like to be involved in this potential listing of sage grouse. I think we have, what, until the end of 2015 or something like that before a decision has to be made? Where are we with that and with States?

They have some concerns, as I have heard from stakeholders, that the Department is not fully engaged with the States and Fish

and Wildlife isn't fully engaged with the States in trying to look at the State management plans.

Secretary JEWELL. The Fish and Wildlife Service and the BLM are fully engaged with all of the States. I have personally met with all of the Governors on several occasions, just in your home State, as you know——

Mr. SIMPSON. Yeah.

Secretary JEWELL [continuing]. Mostly talking about fire, but did spend time talking about sage grouse with some of your colleagues from the Delegation.

Each State is approaching it in a different way. The States, through the Sage Grouse Task Force, are working together comparing notes and pulling each other along.

Some States are focused more on private land programs. In some States, the Governors have mandated private land compliance, which is much easier for the Fish and Wildlife Service to count in terms of knowing it will happen as opposed to voluntary measures. In some States, the burden largely falls on the BLM because of the amount of land we have or the way the States have chosen to work it.

What is important to know is we are working very closely together with the States, the Fish and Wildlife Service, and the BLM to do everything we can to preclude the need of a listing of the species.

Mr. SIMPSON. Okay. I appreciate that.

And one last question, Mr. Chairman, if I could, before I have to run off, which I am sorry that I have to go to because I like to listen to the whole testimony. I understand the Chairman is going to ask about PILT and how it is going to affect the budget in the future.

INDIAN EDUCATION

But I have to tell you, one of the concerns I have in this budget, it is a concern I had with your predecessor and with every budget that I have seen come out of the Department—and I don't know where the kickback is, whether it is from OMB, from the Department, from the Administration, whomever. We are putting something like $50 million in trying to get kids out into the wilderness or, you know, outdoors, and at the same time there is not one dime proposed to replace some of the most shattered schools in this country.

You said during your original testimony before the Senate, I think, on confirmation that Indian education was a disaster, paraphrased. But yet the Administration has never proposed any new funding for schools.

And I can tell you, when Tom and I and Betty went out to South Dakota, we visited some schools out there that you wouldn't send your pets to. And it is a disgrace. And we have to do something about Indian education.

And I wonder about putting $50 million in trying to get kids out and enjoy conservation and all that which I fully agree with, when we have children in this country that can't read and write.

And we have a responsibility to do it. We have two types of schools that the government funds, the military schools and the In-

dian education schools. And while we are in the process of, I think it is about a $3 billion or $4 billion rebuild of the military schools, we are letting the Indian schools become worse than they are.

So that is a concern I have, but it is something that I expect the Department to address, and I hope this Committee will address it also, because you have a lot of supporters on this Committee who are also very concerned about that same thing.

Secretary JEWELL. I understand.

Mr. SIMPSON. But I appreciate your efforts on Indian health. We are getting to where we ought to be with Indian health. We still have some room to go in purchase services and a few other things, but I appreciate your support for that.

Secretary JEWELL. Thanks. If I could just have a quick response?

Mr. SIMPSON. Very quick.

Secretary JEWELL. We have stood up a study group along with Education to address the issues of Indian education. One of the people on that study group is the former head of DODEA, which is the Department of Defense schools that do a very nice job—very different situation, completely transient as opposed to completely place-bound.

We have invested $2 billion in Indian schools over the last 10 years, but there is still a very, very significant need. I was just trying to add up, I think I have been to 15 different reservations and sat down with educators. We have put in place Monty Roessel as head of the Bureau of Indian Education. He is working very closely with the Department of Energy.

[CLERK'S NOTE.—DOI submitted the following correction to the Subcommittee.

Monty Roessel, as head of the Bureau of Indian Education, is working very closely with the Department of Education, not the Department of Energy.]

I understand there is, as part of the Opportunity, Growth, and Security Initiative, a commitment to put additional resources into Indian education, and there is an increase in the budget. On school construction, there is just one school, the Beatrice Rafferty School in Maine, where we are continuing to take baby steps forward. We are focusing more on the classroom than on the buildings. I appreciate your comments. We have a lot of them that are in really bad shape.

Thank you.

Mr. CALVERT. Okay. I thank the gentleman.

Now I am happy to recognize the Ranking Member, Mr. Moran, for any questions.

Mr. MORAN. Thanks very much, Mr. Chairman.

INDIAN EDUCATION

And I want to associate myself, as well, and I think you do and Tom does and Betty, in terms of the comments that Mike made with regard to Indian education. Programs for American Indians are going to get a bipartisan level of support here, so it is an opportunity for us to be able to work together on something that both sides of the aisle care about. And we really would like to see an adequate investment. That doesn't need to preclude the other initiatives, but of all the things we should be able to find money for,

that certainly should be at the top of the list. So I am glad that Mike raised the issue.

OIL AND GAS DEVELOPMENT

Let me raise another very different issue, though. You receive innumerable complaints from certain quarters that the Interior Department isn't doing enough to develop oil and gas on public lands. It does seem, though, that the oil and gas production on public lands is up more than a third, I guess about 35 percent, from even the last years of the Bush administration. Yet the oil industry seems to be sitting on thousands of already-approved permits to drill.

Maybe you could share with us what you are doing, Madam Secretary, to encourage the responsible and timely development of these approved permits to drill. And what steps are you taking to help improve the return to the American people in the use of these public resources?

Secretary JEWELL. Thanks for the question, Congressman.

You are right in your statistics, or pretty darn close anyway. The onshore Federal oil production increased by about 30 percent over 2008. Outer Continental Shelf oil production increased by 2 percent over 2008. And the energy budget has increased by 49 percent over that same period of time. We certainly have been investing.

There is a proposal in this budget to ask the oil and gas industry to at least pay the part of the cost of what we need to do to ensure that development onshore is done safely and responsibly. Offshore, through the Bureau of Safety and Environmental Enforcement and the Bureau of Ocean Energy Management, we have the ability to charge industry for what it costs us to ensure their activities are done safely. We also can charge them for the fees necessary to offset our cost in terms of permitting. That is not true onshore.

There is a proposal in this budget to charge only 25 percent of the cost of onshore inspections by the BLM to the oil and gas industry so we can take the resources that we have, and we are competing for petroleum engineers along with industry to do this right, we can take a portion of that money and put it into streamlining our permitting process.

We have some suggestions in the budget for changing the fee structure to charge an annual fee for permits that are held but not drilled, so there is incentive for businesses, when they get a permit to drill, that they actually do, in fact, drill, so they can begin to generate a return for the taxpayer on that investment. And if they don't, there is a fee charged to address that.

Rhea and Pam can get into more detail if you want on the numbers, but in terms of structure, that is where we are going.

Mr. MORAN. Yeah. No, that is very good. I am glad you put that on the record. Thank you. It seems like a pretty sweet deal, still, for onshore drilling to only have to pay a quarter of the cost to the Interior Department.

HYDRAULIC FRACTURING

Madam Secretary, for almost 2 years now, the Bureau of Land Management has been working on the development of regulations regarding the use of fracking to develop oil and gas on public lands.

So can you share with us the status of the proposed regulations? Can we expect those regulations to enforce a high level of safety for the public as well as protect the environment?

Secretary JEWELL. Thanks for the question.

They were very much in the thick of taking input from the first round of comments when I got here and had released, based on those comments, the second draft proposed rule about this time last year. They received 1.3 million comments back, and they are in the process of analyzing those and expect to have the rule published sometime in 2014.

Science continues to evolve. The USGS has money in the budget to do specific research around hydraulic fracturing to understand what is happening, whether there is induced seismicity, the importance of well-bore integrity and other things. The well-bore integrity is a critical part of this.

I am confident what we put out there will update the 30-year-old regulations we are currently using. I also know, as I have fracked wells before and I have been in the industry, that technology moves on and we need to continue to look at it and apply the best available science.

When you see the rules come out, it will be the best knowledge we have at the time for keeping fracking safe and responsible, and it will incorporate what we have learned from States that have been doing this for a long time and have done a good job.

Mr. MORAN. Thanks very much. Thank you, Madam Secretary.

Thank you, Mr. Chairman.

Mr. CALVERT. Thank you.

WILDFIRE FUNDING

And I would like to mention that we have some difficulties within this budget. It was mentioned, the wildfire portion of the budget. And we have to work out an agreement with the Budget Committee, obviously, to do what we would like to accomplish, unless Mr. Simpson is successful in passing his legislation and having it pass in the Senate and signed by the President before the end of the summer. If that doesn't happen, we are going to have a problem there.

PILT, LWCF AND SECURE RURAL SCHOOLS

The other problem we have is PILT, and the other problem we have is the Land and Water Conservation Fund. As you know, the authorization for the Land and Water Conservation Fund expires September 30th, 2015. Likewise, the Payment In Lieu of Taxes and Secure Rural Schools authorizations also expire at the end of 2015.

[CLERK'S NOTE.—Correction: PILT authorizations are scheduled to expire at the end of FY 2014. Authorization for the Secure Rural Schools program expired at the end of FY 2013.]

This presents Congress and the Administration with a unique opportunity, potentially, to provide permanent funding for each of these critically important programs by linking them together. The challenge, of course, is finding a suitable offset or the income to pay for it.

You have discussed in general terms this concept of linking these three programs together. Would you be supportive of linking a per-

manent funding stream for Land and Water Conservation Fund, a permanent funding stream for PILT, and Secure Rural Schools? And has the administration given any consideration to that concept?

Secretary JEWELL. Mr. Chairman, I think it is a good idea to link the three programs together. I do recognize as land is taken off the tax rolls there is an impact on local counties and communities. I am very well aware of that. I think moving beyond whether it is in the farm bill or an annual reauthorization process on PILT would be very helpful.

I also know the Land and Water Conservation Fund is a very important program, as I referenced in my opening remarks, that has been used across the country. I think it makes sense to link the two.

I am going to ask Rhea whether there have been more conversations with OMB and the Administration. I don't know if the Administration has taken a position on this, but it is certainly something I would advocate for.

Ms. SUH. I don't believe the Administration has taken a position on this. We are collectively very eager to work with members of this Committee and Members of this body to further this idea that is quite intriguing, the idea I think originally was proposed by Chairman Simpson. We know that Chairman Bishop has also expressed some interest in this. Whatever we can do to try to be helpful in furthering those discussions, I think we are absolutely all in.

Mr. CALVERT. Well, I am sure you will have discussions with the Authorizing Committee, but, obviously, paying for this proposal is critical. Do you have any suggestions or suitable offsets that might be considered? Have you put any thought into this?

Secretary JEWELL. Do you want to take that?

Ms. SUH. I think, Mr. Chairman, you pose, obviously, the critical question here. I think we would all like to see a lot more certainty both for PILT reauthorization and permanent reauthorization as well as for LWCF. How we ultimately find that offset, as big as that offset needs to be if those two things are coupled, is a challenge.

As you have seen, over the course of many years, the Administration has offered a number of mandatory legislative proposals that provide revenue offsets. I think, you know, the list of proposals we have in the budget and we have submitted, again, for many years now are a place to start. From there, I think, collectively we would very much like to engage with your staff to further those conversations.

Mr. CALVERT. Well, we will certainly put—and have been putting a lot of thought into this situation. But this problem is not going away, and so we need to work on this or we are going to have difficulties putting together——

Secretary JEWELL. I just want to——

Mr. CALVERT [continuing]. A suitable budget.

Secretary JEWELL. If I could, Mr. Chairman, one little supplemental comment.

In talking with people from the oil and gas industry, who say, we have been paying into this fund basically for 49 years with the intent of it funding LWCF, and it hasn't been funded. There may

be support from the industry on saying, as we have done this mitigation for years through what we have paid in our oil and gas revenues to fund LWCF, we expect it to be funded.

I think we have to look broadly at the budget overall. I don't have a magic bullet for an offset. But it is a popular program, just as PILT is an essential program to address the issues in local counties, and we will work with you on that.

Mr. CALVERT. I know it would be impossible to believe that the appropriators would divert money from what it was intended for. But, nevertheless, Land and Water Conservation Fund is expiring in 2015. This gives us an opportunity, along with PILT and Rural Schools, potentially to have a permanent fix to this problem, which especially is important in the rural areas throughout the United States.

And next, Ms. McCollum is recognized.

Ms. MCCOLLUM. Thank you, Mr. Chair.

Even though I represent an urban area in Minnesota, those issues are very, very important to my State. And I look forward to working with you, Secretary Jewell, as well as this committee on that issue.

Let me thank you again for you and your staff and all the work that you are doing, for all the outreach that you did, right away with everybody, and all the travel around to different areas. This is such a big area that this committee covers including 566 federally recognized tribes, and our natural resources. You have a broad and important mission, and we look forward to working with you.

For the record, I am going to be submitting some questions on the Bureau of Indian Affairs. You can expect that they are going to include schools and health care, along with some other issues.

Ms. MCCOLLUM. I am also very curious as to what the Department is doing in the area of climate change, as we talk about many issues, but in this Committee especially the issue of wildfires, and the effects of climate change on the way that wildfires have been spreading and the intensity of them.

But today I am going to focus on two issues that span multiple agencies within your Department. One is reviewing receipts, and the other is invasive species.

REVENUES

With revenue receipts, we all hear—and I worked in the private sector for years—government needs to run more like a business. As a former business executive, you know the importance of maximizing your dollars for your shareholders and providing value to your customer.

In this budget, your Department proposes to generate nearly $3 billion more in revenue receipts than you propose to spend within the Department. In other words, you are a giver, not a taker. That is a $3 billion profit, and it sounds like a great return on investments to me. But I still have questions about whether we are getting our fair market value for the use of all of our natural resources.

So my first question would be, what reforms and proposals are suggested in this budget to increase revenue receipts and benefits for our stockholders, the American taxpayer?

INVASIVE SPECIES

My second question has to do with something that I appreciate all the work that this Committee has been supportive on, and that is invasive species. Invasive species not only harm our ecosystem but they have the ability to harm our economy through industries like timber, agriculture, and tourism. Whether it is Asian carp, kudzu, emerald ash borer—now we have Burmese pythons and Nile crocodiles down in Florida—it is essential that we address these challenges with a comprehensive strategy.

We must and we can do better. We must have a coordinated plan, and that includes all levels of government, along with universities, private, and nonprofit organizations. We need to allocate our resources now so that we are not spending more later.

What is in this budget to help the Department of Interior address this growing problem of invasive species? What resources or authorization should we be asking for from the Authorizing Committee in Congress to give you the opportunity to more effectively confront this problem?

Secretary JEWELL. Okay. Let me start with your last question first, and we will see how much time remains. I am very happy to take questions for the record, as well.

Looking at invasive species, really, they are a problem across all of the lands that we manage in every agency. We have an increase of $4.6 million, for example, for the USGS. The Asian carp problem, which you are very familiar with in your region, is something USGS is working on, eDNA sampling methods of preventing the species from migrating into the Great Lakes and so on.

The Fish and Wildlife Service has an increase of $4.3 million for invasive species control, as well. You think about the sage grouse issue that Congressman Simpson brought up earlier. There is an invasive species that not only impacts sage grouse habitat but it is fire-enabled, cheatgrass, and it makes the situation worse. There is money in the Fish and Wildlife Service to do a better job of understanding the impact of invasive species on landscapes.

We also have funding in the Bureau of Indian Affairs, as well as in our insular areas in the Pacific, where invasive species like the brown treesnake, for example, are continuing to be a big problem.

We take it very seriously. We are working to help private landowners understand the impact of invasives so they can be part of the solution as opposed to part of the problem.

CLIMATE CHANGE

On a couple of the other things you mentioned, if you want a quick answer. Addressing the issues of climate change runs throughout our budget. The USGS and its Climate Science Centers would be, very much at the focal point of understanding the science behind the climate change and its impact on the landscapes. I have asked every bureau to think about three things—constrained resources, the changing demographics of our country and youth, and climate change—into everything they do.

I am looking at these numbers here, it looks like there is $176 million specifically for climate change across the entire organization, and that is up about $27 million from 2014.

REVENUES

On the revenue receipts, I want to compliment Rhea Suh and some of our colleagues in pulling the collection of revenue out of what was the Minerals Management Service and putting it under Policy, Management, and Budget to make sure that we are getting a fair return for taxpayers. We are following up on concerns about whether those returns are, in fact, being audited appropriately and collected appropriately, and we will continue that effort.

I don't know if you want to say anything additional or if that covers it, Rhea.

Ms. SUH. Thank you, Madam Secretary.

I just would perhaps add that, over the course of many, many years, the revenue collection function within MMS had long been the source of many GAO and IG reports of criticism. In the last 3 years, we have managed to clear up all of those IG reports, and we are no longer a high-risk activity as defined by the GAO. We are quite proud of that.

Ms. MCCOLLUM. That is great.

Mr. CALVERT. Thank you.

Ms. MCCOLLUM. Mr. Chair, if I may, though—and you don't have to answer right now. What do you need in order to control invasive species. Different bureaus and different agencies need to take different leads at different times. What do we need to do, working with everyone—universities, for-profit, nonprofit—to make that work in the future? You can get back to me. I know it is not a cookie-cutter solution. What works one way doesn't work for every invasive species.

Thank you.

Mr. CALVERT. Thank you.

Mr. Cole.

Oh, and, by the way, just excuse me for 1 minute. The Secretary is working on a hard 4:15, so if we can try to stay within the 5 minutes, that would be appreciated.

Mr. COLE. Wish you would have said that earlier.

First, thanks for being here. Thanks for the great job you and your team do.

INDIAN EDUCATION

I do want to associate myself, very quickly—I don't want to keep on this topic, but I agree very much with what Mr. Simpson had to say. I mean, all of Indian country, not one school? Not one new school? I mean, that is something we ought to look at. This Committee worked hard, working with you, to try and avoid that last year. And if it is only a statement that we really do care. And I think what a place that you go to school looks like kind of tells you, if you are a student, what people think about you and your potential. So I think that is an area that we need to find some common ground on.

Second, if you could give—I have two, sort of, global questions and then a very parochial one.

LAND BUY BACK PROGRAM

Could you give us a quick update on where we are on the Cobell implementation? You came on right at a transition point. And that is a huge settlement issue, and I think the Department has a lot to be proud of in terms of the negotiated settlement and what was done. I am wondering about the implementation, where we are at right now.

Secretary JEWELL. I will give a quick rundown.

And if, Mike, you want to add anything if I miss something.

We are full-tilt on the Cobell settlement. It is being run out of the Deputy Secretary's office.

We recently issued offers for over $100 million on the Pine Ridge Reservation, highly fractionated land. I was just in Montana and also meeting with the Montana-Wyoming tribal council. Tribes in that area have, in some cases, 1,200 owners on one particular parcel. We are working on cooperative agreements with a number of Tribes. I had signed one with the Confederated Salish-Kootenai Tribes. We have one with Pine Ridge, and that is working well.

We are learning this as we go along, too, and trying to streamline and make it clear to Tribes that our objective is to get all this money out to reduce the fractionated interests as quickly as possible to get land into trust for tribes. It is not intended to be a tribal employment program. It is intended to get these fractionated interests dealt with, which is what the Cobell settlement is all about.

I am very proud of how hard the team is working to make it happen. A hundred million dollars just in the last few weeks is a great statement. We are learning as we go along. We are doing mass appraisals. There are comments about whether, they have enough of a shelf life, whether we should look at longer periods. There are things we are adjusting along the way, but we are very, very committed to making this happen.

Anything you want to add?

Mr. CONNOR. I think you have covered it.

Secretary JEWELL. All right.

Mr. COLE. Okay.

VIOLENCE AGAINST WOMEN ACT

Second question: You know, last year, one of the things I was proudest of Congress doing was reauthorizing the Violence Against Women Act, particularly adding the tribal provisions. Can you tell us where the Department is in helping give Tribes the capacity to actually carry out the authority that we have now given them in the areas of sexual abuse?

Secretary JEWELL. There is an increase in our proposed budget for tribal law enforcement. That has proven to be a huge driver of these activities.

The VAWA, which I am very appreciative it made its way through Congress and was signed, and that is the good news. The bad news is it is just being applied in a pilot way as we learn our way forward and figure out how it gets applied. I am learning these things as I go out to Tribes and figure out what is happening on the ground.

The Tiwahe initiative that I referenced is an attempt to actually get at root cause. Working between some of the root-cause issues with the law enforcement issues, we hope to make Indian country a lot safer for women than it has been and than it is right now.

So there is additional money in the law enforcement budget and there are joint efforts going on with the Department of Justice to try and implement VAWA effectively for Tribes, but it is a slower implementation process than we would like.

Mr. COLE. I think it is going to take quite a while, but if there is anything we can do to assist in that, please let us know. I think it is a really important issue.

Last—and, by the way, thank you for the amount of time you do spend in Indian country. I have seen your footprints everywhere. And thank you for coming to Oklahoma and the Citizen Potawatomi Band. It makes such a powerful statement when you are there, and your interest in these issues is so obvious to people.

CHICKASAW NATIONAL RECREATION AREA

Last parochial question, and this is just something I want you to keep an eye on. There are negotiations right now with the Park Service, the Chickasaws and the Park Service, about the long-term status of the Chickasaw National Recreation Area. And this is a park that, frankly, the core of which the Chickasaw Nation gave to the United States originally at the time of the Dawes Act to preserve and protect it.

We have built a lot of facilities around it, a visitors center, which I think the Park Service is actually going to move at least some of their operations in. I would tell you they should move all of their operations in there, I mean this quite seriously, as a cost savings. I think it is silly to stay partly where they are in the same town and not in these facilities. And they are terrific.

But we have gotten good cooperation at the regional level, but there has always been some resistance—and this is one where the tribe has the money and will invest more than the Federal Government could ever invest in trying to upgrade it and operate it jointly. They do this, by the way, with the State of Oklahoma on a couple of State parks that are in their area. They do it on the State visitors centers as you enter from Texas. So this is something they are really good at and really want to work hard at.

So I would just commend—I think it is a splendid opportunity for Tribal-Federal partnership and one, again, that will bring additional resources in the tune of millions of dollars into that facility. So please look at it, and whatever you can do to foster it and kind of push it along a little bit would be much appreciated.

Secretary JEWELL. Will do.

Mr. COLE. Thank you.

Thank you, Mr. Chairman.

Mr. CALVERT. Thank you.

Ms. Pingree.

Ms. PINGREE. Thank you, Mr. Chair.

And thank you very much for being here with us today and all the work you have done in your first year here. I know there are a lot of other people having to ask questions, so I will submit as much as I can for the record.

CLIMATE CHANGE

Ms. PINGREE. And I want to echo some of the things that other people have said on a whole variety of issues, particularly your work on climate change. That is a growing issue for all of us in coastal communities, some of the fishing industry impacts and the impact on farming. And I certainly want to add a couple of our invasive species while you are working at it. I know a lot of States are dealing with milfoil, but not everyone has the green crab problem that we do, and it is just an increasing issue in our shellfishery and lobster fishery.

NATIONAL WILDLIFE REFUGE FUNDING

Just two quick things. I would love to have you talk a little bit about wildlife refuge budgets. I know there is a slight increase but not a lot. And that has a great economic impact in our State, with the Rachel Carson Wildlife Refuge, and it is a big, important part of the surrounding communities.

NATIONAL PARKS FUNDING

And, similarly, Acadia National Park. I really appreciate that you are focusing on the Centennial, that you are thinking about how to get capital funds back and other money in there. But Acadia, in a recent study, was one of the most devastated parks due to the sequester. We don't have a winter park activity, we don't have a full season without the fall, and that came just at the worst time for those communities and for the park.

So I know the budget can't make up everything that the park has already lost, but can you talk a little bit about the increases in funding and how we are going to make sure that helps bring parks back to the place that they should be by the centennial?

Secretary JEWELL. I completely agree we have really been challenged in terms of both wildlife refuges and parks in maintaining them at the level the visitors expect of us and in carrying out the mission. It was very difficult to start this job in 2013, where I saw the impacts up close, like wildlife refuges that should have 13 people on staff and they are down to 5. We are recovering from that with a budget which is helpful, but we have certainly lost some ground.

NATIONAL WILDLIFE REFUGE FUNDING

We do have an increase of $20 million—Pam, is that right, in appropriation for—is that for wildlife refuges?

Ms. HAZE. That was refuges. That was the increase from 2013 to 2014. And we sustain that, and then there is an additional increase of $4 million in 2015.

Secretary JEWELL. So it is modest compared to the total, but it is important.

NATIONAL PARKS FUNDING

On the national parks side, as I referenced in the opening comments, we have a $40 million increase. Thirty of that goes directly to fund park operations. Ten million is a matching grant program for private philanthropy because we know there is a lot of inter-

est—and Acadia is the beneficiary of private philanthropy, as well—so that we can encourage those kinds of contributions.

But it has been a long time since we collectively as a Nation invested in some of these resources, and it is going to take a long time to get them back to where they need to be.

We have asked the parks to give us their highest-priority projects. In the proposed $1.2 billion authorization over 3 years, that addresses the backlog—it certainly doesn't take care of the maintenance backlog you reference, but it takes care of some of the most high-priority things so people are finding functional toilets, they are finding a functional visitor center. They are, at least on the surface, having a good visitor experience as we work on a longer-term solution, which I think will involve private philanthropy, as well.

Thank you for your support. I have been to Acadia. It is a beautiful place. I have hiked all over it. And, yes, it could use a little maintenance money, too.

Ms. PINGREE. Yeah, that is true.

Thank you very much.

Mr. CALVERT. Thank the gentlelady.

Ms. Herrera Beutler.

Ms. HERRERA BEUTLER. Thank you, Mr. Chairman. I have a couple questions. I am going to talk fast, but you are good, so you can handle this.

SPECIES MANAGEMENT

One of the benefits of this Committee is we get a chance to talk to the heads of just about every agency. And last year I was pleased to talk with Director Ashe of Fish and Wildlife, Deputy Director Kornze of BLM, and Chief Tidwell of the Forest Service. And all have agreed that the approach we have taken to species management is not working—I should say single species management, with regard to Gifford Pinchot and spotted owl. The spotted owl has continued to decline over the 20 years of this policy.

In talking with the agency heads, a lot have acknowledged that a more ecosystem based approach would better benefit not just the owl but the other species. We have actually seen dozens more species put at risk because we have focused myopically on one species. Those at risk include the endangered American wage-earner. I have several counties that, because of that myopic focus on one species, have really begun to degenerate the forests.

And the families there, I guess I would submit to you, we are resource-rich. I know that your three priorities are constrained resources, climate change, and young people. And those are honorable goals. I am not saying that this is mutually exclusive.

But as you move forward—and I will have these questions for the other agency heads who are coming in—what role can you play in having the Department become more active when it comes to active management to improve the health of the forests, the species, and the communities that depend on those forests?

Because I was actually hearing a tremendous solution. Perhaps we could do a demonstration project. I am not saying change the forest plan; let's keep the forest plan. But let's perhaps sell some of the timber that is in the forest plan, use some of that money to

cover PILTs or Secure Rural Schools. I heard everybody here say we need ideas. Let's perhaps try and manage some of that.

I think, with some of the constraints with regard to the myopic focus on those single species, it has really caused us to let our resources falter.

So I would like your thoughts.

Secretary JEWELL. Well, thanks very much for the question. Sharing the same home State and being a banker there for 19 years through the ups and downs of the timber industry, I very much appreciate the challenges that a lot of the rural communities have throughout the Northwest.

I will say the three things I mentioned were trends. They aren't priorities; they are trends I just want people to keep in mind: constrained resources, changing demographics, and climate change.

In terms of priorities, one of the key priorities I lay out is a landscape-level understanding of our resources, looking at things on more of a landscape scale. Because you are right, a single species doesn't define what is happening within an ecosystem. It may be a canary in a coal mine, it may be an indicator, but we need to look broadly. And that is the approach being taken across the Department of the Interior as we look at these landscapes.

There is no question that jobs and economic activities are very important to factor in. The health of whole ecosystems, a lot of times, are manifest in how species do, not just single species but broad species. We do know that when you upset a balance you can have challenges. You can have growth in one area—barred owls, for example, that may be——

Ms. HERRERA BEUTLER. Exactly.

Secretary JEWELL [continuing]. Impacting something else like a spotted owl.

I have seen tremendous creativity, flexibility, and commitment on the part of our Fish and Wildlife Service, as well as the BLM and other land management agencies, on looking more holistically at landscapes. The work happening on sage grouse would be an incredible illustration of that broadly.

Ms. HERRERA BEUTLER. So, as we move forward—and I think Director Ashe is going to be coming back before the Committee—would you be willing to commit to having some sort of a working discussion on perhaps implementing some of these ideas?

I am glad that people are coming to the recognition, but we have to have some action. I am concerned about the health, the actual resource of our forests. We talk about these catastrophic wildfires, beetle and bark infestation and disease, not just the families, although that is my primary focus. We have some real ideas with regard to how we do NEPA and do a timber sale and selectively manage and harvest for the health of the forest and the species, but we keep getting pushed back. I think some reinforcement from the top might give some strength, as these directors are really trying to move new and innovative ideas.

Secretary JEWELL. Yeah, I appreciate your comments. And I think the Forest Service, which is in Department of Agriculture, is more involved in the State of Washington than the BLM; BLM is more in Oregon.

Ms. HERRERA BEUTLER. Yep.

Secretary JEWELL. We are, in fact, looking at what is the sustainable yield on the O&C lands that supports the mills, supports the jobs, but also supports the habitat.

Yes, you have my commitment to continue to work on more of a landscape level. In fact, it is consistent with the first Secretarial Order I issued, which was around landscape-level understanding and mitigation, looking broadly at landscapes, not at individual projects, so we can really satisfy all of the areas that you mentioned.

Ms. HERRERA BEUTLER. I think that is part of it. We are very anxiously watching what is happening with the O&C lands. We are hopeful that that can yield a model, so to speak.

Everybody always points back at Fish and Wildlife and says, "Well, that is why." When I had a great conversation with Director Ashe, I didn't see that that was why. So I don't know if it is just the mindsets of people who have been there for a while. That is what I am trying to break through.

Secretary JEWELL. We do have a number of species that we have to address on an individual listing basis, sage grouse being one, that have dates specific. It doesn't mean, though, that the Fish and Wildlife Service isn't looking at landscapes. They are. They recognize that individual species they have to make determinations on sit within a broader landscape, and that is how they are looking at their work.

Ms. HERRERA BEUTLER. Well, thank you.

Mr. CALVERT. Thank the gentlelady.

Mr. Joyce.

Mr. JOYCE. Thank you, Mr. Chairman.

And good afternoon, Madam Secretary.

ASIAN CARP

I would like you to know that Congresswoman McCollum and I have managed to make a fan of our chairman, Mr. Calvert, of the Great Lakes. That is something we have a lot of interest in. And I know——

Mr. CALVERT. It depends on if you find any money for PILT.

Mr. JOYCE. And to that point, the proposed Fish and Wildlife and the Geological Survey budget includes increased base funding for invasive species, especially the Asian carp. These requests are split among Great Lakes and the Upper Mississippi River areas. Other pathways have been identified for Asian carp to enter the Great Lakes, including Mosquito Lake, which is in my northeast Ohio district.

Will the funds both designated for the Great Lakes and for areas outside the Great Lakes support efforts to make sure other pathways don't become entry points for Asian carp into Lake Erie and the other Great Lakes?

Secretary JEWELL. A lot of the USGS work is in identifying where the species are and what works in stopping them from migrating. You are right that there is money in the USGS budget. I have a $6.4 million increase in both Fish and Wildlife and USGS to address this specific issue.

They are looking at chemical control mechanisms. They are developing lures to help remove the species. They are doing testing

methods to restrict the passage of the fish and also looking at early detection tools, which I think, no matter where the species are, is going to help us generically prevent them from spreading.

Mr. JOYCE. That is fantastic. But my concern is more that it will be spread around all the potential entry areas versus located in just the certain Upper Mississippi River area.

Secretary JEWELL. I don't have more information about where they are doing their research.

Pam? Anybody else?

If not, we will get back to you with a more detailed answer.

Mr. JOYCE. Great. Thank you.

[The information follows:]

Asian Carp Prevention and Control

The spread of Asian carp toward the Great Lakes is one of the most acute threats facing the Great Lakes and their multi-billion dollar fishery. Since 2010, there has been an aggressive focus by the Administration on pushing the Asian carp population invasion back from near the Great Lakes, but more effort is needed on the lower Illinois, upper Mississippi, Ohio, Missouri, and other river systems. The 2015 budget builds on Asian carp prevention and control and management efforts in the U.S. Geological Survey (USGS) and U.S. Fish and Wildlife Service (FWS) budgets.

The USGS conducts research as part of the Asian Carp Regional Coordinating Committee, which is the Federal response to the threat of Asian carp becoming established in the Great Lakes. This research is essential to developing tools to fight the spread of Asian carp. Tremendous progress has been made by USGS, including predicting tributaries that might provide suitable habitat for Asian carp spawning, developing selective toxicants, and testing water guns and CO2 barriers. Completing this research is a critical step toward focusing monitoring and control efforts. The USGS FY 2015 budget requests a program increase for Asian Carp research of $1.0 million for the Great Lakes and $1.0 million for the upper Mississippi River. This effort will augment current support for providing scientific information and methodologies to better prevent, detect, and control Asian carp, enabling research that transfers technology to managers for field use.

The FWS will dedicate the FY 2015 requested increase of $4.4 million to support the high-priority activities to prevent the influx of Asian carp to the Great Lakes and address populations in the Mississippi River and its tributaries, building on existing collaborative efforts to address the threat of Asian carp. These activities include coordinated early detection and rapid assessment, containment, rapid response, and control, and support the implementation of the National Asian Carp Management and Control Plan.

GREAT LAKES RESTORATION INITIATIVE

Mr. JOYCE. Another quick question. The funding request for the GLRI, Great Lakes Restoration Initiative, has dropped to $275 million in the most recent budget request.

Given the Department of Interior has been the number-two recipient of funds from the GLRI, how is this $25 million decrease expected to impact the Department and its agencies' work in restoring habitat, performing invasive species research, monitoring, and control, and providing technical assistance, among other things?

Secretary JEWELL. This year, the Interior bureaus will receive about $62 million from EPA through the Great Lakes Restoration Initiative. For 2015, we have submitted projects totaling $51 million.

There has been a lot of work that has gone into the Great Lakes. As in other areas, we are making some difficult decisions on our budgets in terms of how to invest effectively and continue to make progress. Chesapeake, Puget Sound, Everglades, Great Lakes—very, very important projects. So that reflects a juggling of budgets to try and make continued forward progress. But it is kind of where the chips fell when we added up the numbers.

Mr. JOYCE. We can't afford to make a mistake there because it is game, set, match once the Asian Carp are in the Great Lakes.

Secretary JEWELL. I understand.

HABITAT CONSERVATION

Mr. JOYCE. Lastly, on behalf of a fellow Appropriations Committee member who does not sit on this Subcommittee, who had asked me if you could identify in the Code of Federal Regulations which states the Department of Interior agencies may hold State and private landowners liable for habitat conservation expenses to avoid an Endangered Species Act listing when the habitat is controlled by the Federal Government?

Secretary JEWELL. I am not sure I fully understand the question.

Mr. JOYCE. It says, "Please identify your authority in the Code of Federal Regulations which states the Department of Interior and agencies may hold State and private landowners liable for habitat conservation expenses to avoid an Endangered Species Act listing when the habitat is controlled by the Federal Government."

And you can feel free to follow up on that answer another time.

Mr. CALVERT. If the gentleman might submit that question for the record.

Mr. JOYCE. Yes.

Mr. CALVERT. And if you can get back to us——

Secretary JEWELL. Happy to do that.

Mr. CALVERT [continuing]. On that to give an answer, I would appreciate it.

Secretary JEWELL. Sure. Thank you.

Mr. CALVERT. Thank the gentleman.

Mr. JOYCE. Didn't need it right now. Thank you very much for your time.

Secretary JEWELL. Thank you.

[The information follows:]

ENDANGERED SPECIES ACT

The Endangered Species Act (Act) requires the Department to list a species if it meets the definition of threatened or endangered under the Act. To determine whether a species meets either of those definitions, we must look at the status of the species as a whole, including its status on both public and private lands. ESA regulations can be found at 50 CFR Sec 402 et. seq."

Mr. CALVERT. Okay.

All right. I want to thank Mr. Valadao for his courtesy to allow Mr. Stewart to get into questions so he can get back to——

Mr. STEWART. I want to thank him, as well, Mr. Chairman. He was quick to remind me that I am the least senior Member of the Committee. We apparently don't seat according to looks.

Mr. CALVERT. The gentleman will yield back his time.

Mr. STEWART. Thank you, Mr. Chairman.

Mr. CALVERT. The gentleman is recognized.

Mr. STEWART. Madam Secretary, thank you. You have sat before other committees that I have been on previously—I have actually chaired one of them. And I appreciate your demeanor; I think many of us do. And we appreciate your leadership. We don't, as you know, agree on some things, but we appreciate the leadership and, again, your graciousness.

There are just so many things I would like to discuss with you, and, frankly, we don't have time. So I would like to mention them, if I could, and then maybe elicit your support that we could work on them together to find a solution.

PILT AND SECURE RURAL SCHOOLS

Before I do that, though, if I could just echo that of the chairman. PILT and Secure Rural Schools is enormously important to me in my district. There are a couple counties in my district that are 93 percent controlled by the Federal Government. These are poor counties, as a gracious description. And the uncertainty with PILT and then some of the reductions on SRS is just very, very hard for these poor and rural counties. So if we could, look forward to that and allowing some stability for them.

STATE REIMBURSEMENT FOR FUNDS DURING SHUTDOWN

The first thing, if I could, and that is this. You may remember a long, long time ago, last fall, we had the government shutdown. My State, Utah, as well as a number of others—North Dakota, Colorado, Arizona, New York, Tennessee—our Governors stepped forward, kept some of the State parks open for 8 or 10 days.

That cost them a little bit of money. I think there was an understanding that they would be reimbursed for that. That hasn't happened yet. Do you see a problem with that reimbursement back to those States?

Secretary JEWELL. Well, thanks for the question, Congressman. I think you meant national parks, not State parks.

Mr. STEWART. Oh, I am sorry. Yes, of course.

Secretary JEWELL. There were many, many late nights for me and the skeleton crew working at Interior to try very hard to work with States that wanted to reopen national parks during the shutdown, to allow them to do that by having States pay for the National Park Service to operate those parks. I supported that pro-

gram. The Solicitor's Office, the Department of the Treasury all worked hard to do that.

I was advised I was not allowed to commit the U.S. Treasury to anything, and so I conveyed that to the Governors. All the Governors that we worked with went in eyes-wide-open that they could not be reimbursed without congressional action.

Now, there is legislation that is pending to do that reimbursement, and that is the appropriate course forward. But there wasn't a commitment to reimburse them in terms of the negotiations, because that is not something I was allowed to do.

Mr. STEWART. Yeah, understand. But you wouldn't resist that legislation if we were to try to reimburse the States for those expenses?

Secretary JEWELL. I would not resist.

Mr. STEWART. Okay. Thank you.

GRAZING AND WILD HORSE AND BURRO

Another one—and, again, this is a detailed issue, but just to bring it to your attention. I was meeting with some constituents a few weeks ago, again, in the rural part of my district. They brought me a letter from the Bureau of Land Management which was a surprise to them and they had no idea this was coming, which directed them to reduce their number of permits for their cattle grazing on public lands, because of horse and burro management issues.

And, you know, you look at some of that range land, and it is not the cows that are digging it up and destroying it; it is these wild horses and burros. In some cases, they are infringing on other endangered species. They are not indigenous to that territory. Yet it seems like our management of those has clearly been insufficient.

I am wondering if you are concerned about that, as well, and whether you think there are some amendments to that management plan that would be helpful.

Secretary JEWELL. Thanks for the question.

The wild horse and burro situation is very challenging for us. As I am sure you are aware, the herd doubles in size every 3 1/2 years. The BLM paid the National Academy of Sciences to do a study to help us understand the circumstance and to make recommendations. There is about $2.3 million in the budget to fund research into birth control.

We are restricted on what we can do with the wild horses and burros based on legislation that was passed, I think, in 1974. When we are trying to manage the landscape sustainably—and the BLM's mandate is multiple use and sustained yield. When we have challenges on competitive uses for that land, one of our only options is to reduce grazing.

It is a very difficult problem. The birth control effort is something we are pushing to make more effective. It is not as effective or as researched as human methods of birth control. As we have vaccinated some horses, it doesn't last very long or it is not very effective.

We have asked the pharmaceutical industry to help. We have even talked about doing an XPRIZE kind of thing to see if we can

address that. Because there are people as passionate about keeping wild horses and burros as there are impacts of those that don't want them, and so we do find ourselves in a very awkward situation.

Mr. STEWART. Well, I appreciate that. And, by the way, I think most people recognize it is not in any way an ideal environment for those animals. And when we have to capture and retain them like we do, it is not at all what people had envisioned. So thank you.

And, Mr. Valadao, thank you for being gracious.

And, Mr. Chairman, I yield.

Mr. CALVERT. Thank you. Thank the gentleman.

Mr. Valadao.

Mr. VALADAO. Mr. Chair, Secretary, thank you.

CALIFORNIA WATER

Water is something that we are struggling with in my part of California. Earlier this year, 2014 was on track to be the driest year on record, but some storms in February and March brought enough precipitation to make 2014 the second-driest year, behind 1977.

Unfortunately, those storms did almost nothing to help the farmers of the San Joaquin Valley. Most of the water from the storms, more than 700,000 acre-feet of water, went to the sea because the U.S. Fish and Wildlife Service and the National Marine Fisheries Service insisted that the water was necessary to meet ESA requirements for the Delta smelt and the salmon.

It seems the fishery agencies are continuing to adhere to Delta outflow requirements that clearly are inappropriate for the current drought situation. I am told by water managers in my district that somewhere between 200,000 and 450,000 acre-feet of water could have been pumped to farms and cities of the San Joaquin Valley without harm to the smelt or salmon had the Department exercised the flexibility granted to it under the ESA. It seems that right now the water has been sent out to the ocean and wasted, while the farms and the cities' livelihoods were dried up.

Madam Secretary, I know that you have spoken to a lot of our water managers. I would like to get an idea of if any changes have been made in the pumping restrictions.

I do understand that there is quite a bit of flexibility, that you do have the power to exercise along with the Secretary of Commerce. Will you give us a little insight on what is going on and what differences have been made with respect to Delta pumping stations?

Secretary JEWELL. I will give you a high-level view. It is the real reason that I have this guy as my Deputy Secretary, because I think one of the most challenging issues we are going to face during this period of time are water issues throughout the West.

Just to be clear, the releases of water not only are for species but also for farmers in the Delta and for salination issues. You have to maintain appropriate salinities or you end up with challenges in the Delta, as well. So it is not wasted. It is an important part of the hydrology of the region.

As I was just out in California very recently, touring the facilities after the President made his trip, along with Mike Connor, it is

very clear that the Fish and Wildlife Service and the National Marine Fisheries Service are working closely together to implement a lot of flexibility. For example, they are looking at a 2-week period of time as opposed to a 3-day period of time to average over, which is enabling more water to go in storage. When I was there, it was 5,800 cubic feet per second that was being pumped into storage as compared to, like, 2,000 to 3,000 last year.

The water managers and the services, the Fish and Wildlife Service and NMFS, are working very, very closely together, recognizing the circumstances that you are in in California and also recognizing that this is not just a profound drought this year but this is multiple years of a drought. That is the big issue that we are facing, not enough water.

I will turn it over to Mike to pick up what I missed.

Mr. CONNOR. Absolutely. Thank you very much for the question, Congressman Valadao. I know we are short on time, but I will give a quick summary here.

There has been a lot of flexibility exercised this year. Basically, we have been pumping at bare-minimum levels for public health and safety purposes because of the low outflows that exist, and that is pursuant to a State permit. So that is one of the criteria we operate under, to satisfy the water quality permit that the State water quality control board has issued to us.

Mr. VALADAO. Is that with the salinity level, as well?

Mr. CONNOR. Exactly. That monitors the salinity level. One of the biggest concerns this year and the reason why we are trying to maintain some level of outflow depending on the events is we are concerned about salinity control in the Delta, and we have to keep the saline water away from the pumps. So that is one criteria.

Then the second criteria are the biological opinions. Now, when we are at the low level, we are not operating—the biological opinions aren't controlling; it is the State permits. We have had two major precipitation events, and I think that is what you are referring to——

Mr. VALADAO. Yes.

Mr. CONNOR [continuing]. Where there is an opportunity when there is a lot of precipitation coming through the Delta, outflows are very high, can we pump more water. In those cases, the biological opinions have been controlling.

As the Secretary pointed out, this year we have maximized the pumping in both situations under the biological opinions. Last year, when we had a similar situation, we were pumping about 2,000 CFS, 2,500 CFS, when we could be up in that 6,000 CFS, cubic feet per second, range. This year, we have maintained pumping when they have had the opportunity up at that higher range because we are doing a lot better job of monitoring the fish, and so we have become comfortable with the fact that we can maximize pumping without endangering the fish.

Mr. VALADAO. How long have you been pumping at 6,000 or 5,800 CFS?

Mr. CONNOR. I think since the last precipitation event at the end of February, oh, it is probably about a 2- to 3-week period that we were maximizing pumping. Over the last week, that has gone back

down. We have lost the effect of that precipitation, and we are back down to bare levels. It is raining today in California.

That is kind of a nutshell of how we have operated. I think we have maximized the ability under State and Federal law, but the reality is we still have to comply with those provisions of the State permit.

Mr. CALVERT. If the gentleman would yield?

Mr. VALADAO. Yes.

Mr. CALVERT. When you say "maximizing," you mean maximizing under the biological opinion, not maximizing under your ability to pump; is that correct?

Mr. CONNOR. That is correct. We have a range of pumping——

Mr. CALVERT. I just wanted to make sure we——

Mr. VALADAO. The restriction is not mechanical, it is legal, right?

Mr. CONNOR. It is pursuant to the water quality standards and the biological opinions. There are only, at this point in time, a few months out of the year when we can maximize pumping from a capacity standpoint. What I am talking about—you are correct, Mr. Chairman. We are maximizing under the regulatory structure that we operate under.

Mr. CALVERT. That is under the 2008 biological opinion?

Mr. CONNOR. That is correct, the 2008 biological opinion for smelt and——

Mr. CALVERT. Under the 2005 biological opinion, did you have more flexibility to operate those pumps?

Mr. CONNOR. The range was different, yes.

Mr. CALVERT. Wasn't it about 25 percent different?

Mr. CONNOR. That I will have to answer for the record.

Mr. CALVERT. Could you find that out for the record so we can put that in the record——

Mr. CONNOR. Yes.

Mr. CALVERT [continuing]. The difference between the 2005 biological opinion and the 2008 biological opinion?

Mr. CONNOR. We can do that.

[The information follows:]

Difference and flexibilities in operations between the Coordinated Operations of the CVP and SWP 2004/2005 Biological Opinions and 2008/2009 Biological Opinions

Water year 2014 is the first time the Bureau of Reclamation (Reclamation) has operated under a critically dry year to rival 1977 (the driest year of record) since either the 2004 National Marine Fisheries Service (NMFS)/2005 US Fish and Wildlife Service (USFWS) Biological Opinions (BO) or the 2008 USFWS/2009 NMFS BOs have been in place. Reclamation has now been operating under drought conditions under the 2008 FWS and 2009 NMFS BO for 3 consecutive years with 2014 being classified as a critically-dry year.

USFWS Biological Opinions for Delta Smelt

The 2005 USFWS BO analyzed the effects of the long-term operation of the Central Valley Project (CVP) and State Water Project (SWP) on delta smelt and found that the action described in Reclamation's 2004 Biological Assessment (BA) was not likely to jeopardize the continued existence of delta smelt or adversely modify or destroy designated critical habitat. The 2005 USFWS BO did not include any additional export restrictions above Reclamation's proposed action (mainly operating to the State Water Resources Control Board, CVPIA and CalFed requirements). This BO was challenged and found to be arbitrary and capricious, with the U.S. District Court (Court) holding that delta smelt were likely to be jeopardized by the proposed CVP/SWP operation. In 2007, the Court imposed an interim remedy to alleviate jeopardy while a new consultation was completed. The interim remedy imposed these restrictions:

- Reclamation and DWR was to modify the operation of the CVP and SWP to achieve an average flow in Old and Middle Rivers (OMR) to be no more negative than -2,000 cfs over the implementation period after December 25th.
- Pre-spawning adults - Reclamation and DWR was to operate the CVP and SWP to achieve a daily average OMR flow to be no more negative than -5,000 cfs on a seven-day running average by January 15th or earlier.
- Larval and juvenile Delta Smelt - Reclamation and DWR was to operate the CVP and SWP to achieve a daily average OMR flow of between -7S0 and -5,000 cfs on a seven-day running average from onset of spawning until June 20th.
- Reclamation and DWR was to continue to implement the Vernalis Adaptive Management Plan (VAMP), San Joaquin River flow enhancement, and CVP and SWP export curtailment as specified under the VAMP experimental design no later than May 1 and lasting for 31 days.

The 2005 USFWS BO was remanded and replaced in 2008 by a new USFWS BO. In 2008, the USFWS concluded that the action as described in Reclamation's 2008 BA, including fewer export restrictions (due to the reduction of the CalFed Environmental Water Account (EWA)), was likely to jeopardize the continued existence of delta smelt and adversely modified designated critical habitat. The Service proposed a reasonable and prudent alternative (RPA) to avoid the likelihood of jeopardizing the continued existence of delta smelt or resulting in the destruction or adverse modification of critical habitat. Reclamation operates to this 2008 BO today and implements the RPA as appropriate.

NMFS Biological Opinions for Salmonids, Green Sturgeon, and Killer Whale

NMFS issued its BO in 2004 on the effects of the long-term CVP/SWP operation and found that the action described in Reclamation's 2004 BA was not likely to jeopardize the continued existence of Sacramento River winter-run Chinook salmon, Central Valley spring-run Chinook salmon, Central Valley steelhead, Southern Oregon/Northern California Coast (SONCC) Coho salmon, and Central California Coast (CCC) steelhead. The NMFS BO also concluded that the proposed CVP/SWP operation was not likely to adversely modify or destroy designated critical habitat for Sacramento River winter-run Chinook salmon or SONCC Coho salmon. This BO was challenged and found to be arbitrary and capricious, with the Court holding that the proposed CVP/SWP

operation was likely to jeopardize listed species. The Court ruled that the 2004 BO failed to analyze the impact of global climate change and the damage to salmonid critical habitats.

The 2004 NMFS BO was remanded and replaced in 2009 by a new NMFS BO. In 2009, NMFS transmitted a final BO to Reclamation concluding that the operation of the CVP/SWP was likely to jeopardize the continued existence of Sacramento River winter-run Chinook salmon, Central Valley spring-run Chinook salmon, Central Valley steelhead, and CCC steelhead, the Southern Distinct Population Segment (DPS) of North American green sturgeon, and the Southern Resident killer whale. The NMFS BO also concluded that the proposed CVP/SWP operation was likely to destroy or adversely modify designated critical habitat for Sacramento River winter-run Chinook salmon, Central Valley spring-run Chinook salmon, Central Valley steelhead, and the proposed critical habitat for the Southern DPS of North American green sturgeon. NMFS identified an RPA with a set of actions to avoid jeopardy and adverse modification of designated critical habitat. Reclamation operates to this 2008 BO today and implements the RPA as appropriate.

Comparison of Key Export Provisions

2004 BA/2004 NMFS BO/2005 FWS BO Export Provisions	2008 BA/2008 FWS BO Export Provisions	2008 BA/2009 NMFS BO Export Provisions
Tracy pumping curtailment due to CVPIA (b)(2) and Environmental Water Account (EWA) D1641 • DCC operations close gates 45 days Nov-Jan, and May21-Jun 15 close the gates 14 days • Export/Inflow Ratio: Exports restricted to 35% Feb to Jun and 65% from Jul to Jan of Delta inflow • X2 position for Feb to Jun depends on outflow triggers for number of days, meeting Roe Island is 64 km (29,000 cfs) and Chipps Island is 72 km (12,000 cfs) and the confluence is 81 km from the Golden Gate • 31 day export limit (VAMP) of 1,500 cfs from mid April to mid May • Delta outflow varies by month and year type in critical years as low as 3000 cfs some months, wet years a high of 8000 cfs in Jul • Water quality, generally	Same as 2004 BA with the following changes: Limited EWA (less protective environmental measures) Adult Migration and Entrainment: Based on turbidity, salvage, and other parameters the Projects are required to maintain OMR flows no more negative than -2,000 cfs (14-day average) with a simultaneous 5-day running average flow no more negative than -2,500 cfs for 14 days. Following this action the Projects are required to maintain OMR flows between -1250 cfs and -5000 cfs (14-day average) with a simultaneous 5-day running average within 25 percent of the applicable 14-day OMR flow requirement. Exact flow requirements and termination of the action is based on an adaptive process. Juvenile Entrainment: Upon onset of spawning or when Delta water temperatures reach 12°C or until June 30, maintain OMR flows no more negative than -1,250 to -5000 cfs based on a 14-day running average with a simultaneous 5-day running average within 25 percent of the applicable 14-	Same as 2008 BA/2008 FWS BO with the following additional restrictions: DCC Gate Operation: Additional gate closures between October and January. Other periods will be operated as per D1641. OMR Flow Management: From January 1 through June 15, reduce exports to limit negative flows to -2,500 to -5,000 cfs in OMR, depending on the presence of salvaged salmonids. The reverse flow will be managed within this range to reduce flows toward the pumps during periods of increased salvage. San Joaquin River Inflow to Export Ratio: Beginning in 2012 the Vernalis flow-to-combined export ratios range from 4:1 in above normal and wet years to 1:1 in critically dry years. Exception criteria are included for multiple dry years and health and safety conditions.

salinity • Joint Point of Diversion allowed from Jul-Sep Coordinated Operations Agreement	day OMR flow requirement. Estuarine Habitat during Fall: During September and October in years when the preceding precipitation and runoff period was wet or above normal (Does not pertain to below normal, dry and critically dry years), the average position of X2 should be no more eastward than 74 km (from the Golden Gate Bridge) in Wet Year and 81 km in Above Normal year.	Entrainment at Export Facilities: From November 1 through April 30, exports may need to be temporarily reduced to 4,000-6,000 cfs if large numbers of juvenile Chinook salmon are migrating into the Delta region.

Mr. CALVERT. Thank the gentleman. Sorry to interrupt.

Mr. VALADAO. No, I appreciate it. I am done. Thank you.

Mr. CALVERT. I know we promised you, Secretary, that you would be able to get out of here by 4:15. It is 4:15. Thank you very much. We appreciate your attendance and look forward to seeing you again soon.

Secretary JEWELL. I appreciate the questions and your engagement on this important process. This has been a great committee.

I also want to call out Dave LesStrang for your support and guidance. It has been very helpful. And, Rick, your help, as well. And thank you for keeping us on time.

Mr. CALVERT. Great. And thank you to your staff also.

Secretary JEWELL. Thank you.

U.S. House of Representatives
Committee on Appropriations
Subcommittee on Interior, Environment, and Related Agencies
Budget Hearing: U.S. Department of the Interior
March 25, 2014
2359 Rayburn HOB

Questions for the Record -- Secretary of the Interior

Questions from Mr. Calvert

Wildland Fire Management/Budget Cap Adjustment Proposal

Historically, this subcommittee has funded wildland fire suppression accounts at the 10-year average level. Based on the severity of recent fire seasons, this methodology has proven insufficient to fully address annual fire needs. This has led to the need to transfer funding from non-fire accounts to cover shortfalls in suppression funding. The total shortfall in fiscal year 2013 was about $28 million for your Department and $600 million for the Forest Service—and there is likely to be a similar shortfall for fiscal year 2014. Clearly, there is a need to develop a better model for providing wildland fire funding.

The FY 2015 budget proposes to establish a new budget framework for the Wildland Fire Management program. Within the Department's proposed budget, $268.6 million in discretionary funds (70 percent of the 10-year average for suppression costs) is requested for suppression. An additional $240.4 million is requested through a budget cap adjustment.

Calvert Q1: Can you explain in some detail how the budget cap adjustment funding level of $240.4 million is determined? Do you believe this calculation for determining fire suppression costs is more accurate than continuing to use the 10-year average?

Answer: The Administration routinely supports the use of 10-year averages as a viable method to determine funding needs, and other items, for programs with variable activity, such as wildfire suppression. To fund a variable item, like fire, within a budget, the 10-year average is the most reasonable method for developing funding needs. However, using the 10-year average is not a reasonable method for determining and budgeting for the total funding needs likely in a worst case scenario. Furthermore, using any method to determine the total funding needs likely in a worst case scenario is not a reasonable method for budgeting.

By contrast, the cap adjustment foresees budgeting for the likely worst case scenario, with the amount requested for the cap adjustment and the base suppression request combined representing the likely highest level of suppression spending in a worst case scenario. This amount was derived utilizing a methodology that provides a scientifically based 90 percent upper confidence level for the likely highest level of spending.

It is based on the work of Forest Service researchers who issued a paper in 2009 that provided forecast models for various timeframes, including 2 years out (ABT, K.L., J.P. Prestemon, and

K. Gebert "Wildfire suppression cost forecasts for the US Forest Service" Journal of Forestry 107(4): 173-178). The Budget uses this method to determine the upper limit of funding. Below is a short description of the model.

The 2-year out forecast is a time series regression model using historical expenditure data from 1977-2012. The variables in the model are time and expenditure lagged by three years (a statistical method to factor in the relationship between expenditures in a given year and three years prior). The costs and the time trend variable are assumed to also proxy for patterns in climate, fuels and management, for the years (the ones that are being forecasted) in which there are no forecasted values.

The DOI total estimated amount of $509 million is considered the "High 90" confidence interval for the anticipated expenditures for the year 2015. The $240.4 million is the difference between the estimated expenditures developed by Forest Service researchers and 70% of the 10-year average of inflation-adjusted suppression expenditures.

For comparison purposes, the average DOI obligations in excess of the requested 10-year average is $126.5 million with the highest being $210 million. The Budget requests $125 million above the 10-year average for DOI.

The 10-year average calculation will continue to be calculated each year and 70% of that 10-year average will be the level of funding requested in the Wildland Fire Management account for Suppression operations.

Calvert Q2: Is this calculation likely to change throughout the year, possibly before the Interior bill is enacted into law? If there is a change in the overall projected suppression costs necessary for FY 2015, will the Administration submit a budget amendment?

Answer: DOI will update its estimates of the amount needed in a cap adjustment periodically throughout the year so Congress can use the most up-to-date estimate in making appropriations decisions. Also note that the upper limit of the proposed cap adjustment would be set to allow for updated estimates.

Calvert Q3: There are, I believe, seven bipartisan members of this subcommittee who have signed onto Congressman Simpson's cap adjustment bill. Short of passing the Simpson bill, the only way we're able to be successful in adopting the budget cap adjustment proposal is to have the House and Senate Budget Committees (Paul Ryan and Patty Murray respectively) amend the Budget Control Act. Thus far, they don't seem inclined to support this effort.

Do you have any plans to meet personally with the Chairman of the House Budget Committee, Paul Ryan, or the Chairwoman of the Senate Budget Committee, Patty Murray, to press the case for amending the Budget Control Act?

Answer: It is our understanding that the Office of Management and Budget met with Paul Ryan and the House Budget Committee staff and with Patty Murray and the Senate Budget Committee staff to inform them about the budget cap proposal. The Department of the Interior and

USDA/Forest Service, in conjunction with the Office of Management and Budget (OMB), are meeting with appropriations and authorizing committees and other stakeholders to inform them about the proposal.

Calvert Q4: Practically speaking, if the proposal for this budget cap adjustment is agreed to, there must be set criteria for the Department to access these funds. For instance, in order for FEMA to access its portion of the disaster cap adjustment funding, there must first be a disaster declaration from the President.

Has the Department developed similar criteria for accessing the $240.4 million and how were those criteria developed? Who will make the decision about accessing this funding? Since timely decisions must often be made relating to fire suppression activities, how quickly would funding be able to be accessed and distributed under the cap adjustment?

Answer: Yes. Authorizing language will include specific triggers for accessing funding and Secretarial designations/ notifications that would be necessary prior to accessing the cap adjustment funds. To maintain transparency, the agencies would also be required to report on their use of cap adjustment funds after the end of the fire season.

A declaration by the Secretary concerned may be issued only if—

- an individual wildfire incident meets objective indicators of an extraordinary fire situation, to include:
    - the Secretary concerned determines that the fire requires an emergency Federal response based on the significant complexity, severity, or threat posed by the fire to human life, property, or resource; or
    - the fire covers 1,000 or more acres; or
    - the fire is within 10 miles of a major urban area (50,000 or more inhabitants); or,
- the cumulative costs of wildfire suppression operations, for the Secretary concerned will exceed, within 30 days, all of the amounts previously appropriated to the Secretary concerned for wildfire suppression operations.

The DOI Wildland Fire Management Program is committed to continue to frequently assess the suppression funding availability throughout the year, with increased scrutiny in the Department during the height of the wildfire activity. This monitoring and reporting will allow decision makers ample time to anticipate needs to access and distribute the funds available under the cap adjustment.

Drought, Delta Smelt, and the ESA

The 9th U.S. Circuit Court of Appeals recently upheld a 2008 biological opinion by the U.S. Fish and Wildlife Service that concluded that the Central Valley and State Water Projects - which provide water for more than 20 million people and seven million acres of agriculture - jeopardized the continued existence of the delta smelt and its habitat. The court acknowledged the "enormous practical implications" of its decision, but that it was prohibited by the Endangered Species Act "from making 'such fine utilitarian calculations' to balance the smelt's interests against the interests of the citizens of California." Resolution of that question, the court

said, falls to Congress, the agencies to which Congress has delegated authority, and the State of California.

Calvert Q5: While Congress wrestles with solutions, what flexibilities are you afforded under your authority to provide water for more than 20 million people in California and the hundreds of millions elsewhere who depend on California's produce, while at the same time meeting your ESA mandate to prevent the extinction of delta smelt?

Answer: Relative to providing more water while meeting ESA requirements, Reclamation has been engaging with both U.S. Fish and Wildlife Service (FWS) and National Marine Fisheries Service (NMFS) to exercise flexibility to operate while maintaining compliance with the Biological Opinions. The agencies will continue to work together to operate in a manner that protects species while delivering as much water as possible to meet our customers' needs.

Reclamation has been working with other Federal agencies and the State of California in developing a plan to optimize our limited water supply to meet the needs of our contractors and assure we are in a position to take advantage of any hydrologic events that might occur. In collaboration with our various stakeholders, we had previously developed over the past year a Central Valley Project Water Plan 2014 which will be useful should the hydrology improve.

Calvert Q6: How are your flexibilities limited by the resources at your disposal?

Answer: Reclamation has sufficient resources to continue to engage with all parties involved to exercise flexibility to operate while maintaining compliance with the Biological Opinions.

Calvert Q7: Much has been written about the inherent weaknesses of the ESA's single-species approach after so much has been learned in the past few decades about ecosystem science. In 2010, former Interior Deputy Secretary Lynn Scarlett wrote specifically about such weakness when applied to the Bay Delta.

In your opinion, should Congress and the Administration take up the issue of improving and modernizing the ESA?

Answer: Since 1973, the Service has demonstrated a clear record of success in preventing the probable extinction of hundreds of species across the Nation while working collaboratively with Federal agencies and other partners to balance the diverse impacts of their development actions with conservation actions that contribute towards species' survival and often to their recovery. The ESA contains a suite of tools that provide the flexibility needed to guide land development and aid species recovery. Working in partnership with other agencies and organizations is foundational for the Ecological Services program as the conservation of the Nation's biological heritage cannot be achieved by a single agency or organization.

The Service is committed to improving the implementation of the ESA. In response to Executive Order 13563 on "Improving Regulation and Regulatory Review," the Department of the Interior prepared a Plan for Retrospective Regulatory Review in 2011. As part of that Plan, the Department (in cooperation with NOAA) committed to "revise and update ... ESA implementing

regulations and policies to improve conservation effectiveness, reduce administrative burden, enhance clarity and consistency ... and encourage partnerships, innovation, and cooperation." Several specific regulatory improvement proposals have already been published and more will soon be ready for publication, including actions clarifying the scope and content of incidental take statements; clarifying the scope, purpose, and criteria for designating critical habitat; revising the definition of adverse modification of critical habitat; and clarifying critical habitat exclusions. These proposals, once finalized, will improve clarity and consistency in implementing the ESA which will be a benefit to proactive land use planning and conservation.

The Service would support constructive, broadly bipartisan legislative efforts to improve and update the ESA if a shared objective for that reform could be agreed upon.

Calvert Q8: Does our changing climate add a level of urgency to the issue?

Answer: The Service is exercising the administrative flexibility inherent in the Act to accommodate consideration of the effects of climate change in the legal and policy framework. We do expect that the effects of climate change will contribute to the risk of extinction for more species in the future.

Calvert Q9: Given ESA's documented weaknesses, why should Congress direct funding toward more listings when we could direct resources to recovery actions?

Answer: Both listing and recovery actions are important funding needs of the Service. Recovering species to the point at which they are no longer endangered or threatened is the ultimate goal of the Endangered Species Act, and it is a goal toward which we are making progress. In the last two months the Fish and Wildlife Service has delisted a fish species in Oregon and proposed to delist two California plants and another fish, all due to recovery. Altogether there are nine pending proposals to delist species due to recovery. When the Obama Administration began, there had been fewer than 20 delistings due to recovery; now there are 30 and, if all pending delisting proposals are finalized, this administration will have published more delisting rules on the basis of recovery than all prior administrations combined.

Important as they are, however, delistings tell only part of the story. We have made the future vastly more secure for California condors, Black-footed ferrets, Florida manatees, and Whooping cranes among many others. Although still endangered, these species all have a real shot at recovery, despite having once faced almost certain extinction. And that is success that should be acknowledged and celebrated. The funding increase requested for Conservation and Restoration activities is important, but will only provide the same buying power as our funding levels in 2010-2012, before sequestration and other budget cuts of the last few years. If we want to see continued progress toward recovery and delisting, we need to continue funding this program.

Listing a species is required under the ESA for species that meet the definition of threatened or endangered. The law allows citizens to petition to list a species, and there are very tight deadlines for making these decisions. Our inability to meet those statutory deadlines led to multiple lawsuits and eventually to a comprehensive settlement agreement that set an orderly schedule for making the overdue determinations. Information sought and compiled through the rule-making

process associated with the Listing program informs and streamlines conservation and recovery activities. In many ways, the Listing process sets the stage for recovery needs and objectives, which facilitates early response and implementation to stabilize and then recover species.

Greater Sage-grouse

In December, 2011, then-Secretary of the Interior Ken Salazar met with leaders of eight western States and forged an agreement to work closely together to conserve greater sage-grouse so that an ESA listing is unnecessary. As it should be, States have significantly increased their efforts and investments and have been leading the way in the conservation of greater sage-grouse. They committed in 2011 to support "all reasonable management efforts necessary." But the conundrum is that so much of greater sage-grouse habitat resides on Interior lands. Lately we've been hearing from the western States that Interior is moving away from commitments made by former Secretary Salazar: that Interior is saying that conservation plans developed by States and Interior bureaus are not "good enough" to ensure that greater sage-grouse are conserved.

Calvert Q10: Madam Secretary, are you truly committed to working with the States to conserve greater sage-grouse so that an ESA listing is unnecessary?

Answer: Yes. The Department of the Interior is committed to the conservation of the greater sage grouse range-wide. The FWS, BLM and USGS are all contributing significant resources to address the threats identified in the 2010 warranted finding and achieve conservation. We have been reviewing and providing advice on State planning efforts as well as working closely with the Western Association of Fish and Wildlife Agencies. In addition, we continue to work closely with the Task Force that was established by former Secretary Salazar and the respective western Governors.

Calvert Q11: I'm told that the Wyoming BLM office has completed sage-grouse management plans for Wyoming BLM lands, but that approval to implement these plans is being held up in the BLM headquarters office.

Is this true, and, if so, what is the rationale?

Answer: The BLM is currently working on a number of Greater Sage-Grouse management plans in Wyoming, which include the Buffalo Resource Management Plan (RMP) revision, Bighorn Basin RMP revision, Lander RMP revision, and the Wyoming 9-Plan Greater Sage-Grouse RMP Amendment. The Wyoming management plans are in varying stages of completion, but are on schedule to be completed by the end of 2014. Coordination on these plans is vitally important.

The BLM remains active in conserving sagebrush landscapes in Wyoming and across the West while the land use planning process is underway. In 2011, the State of Wyoming's "core area" strategy was formally approved by the U.S. Fish and Wildlife Service (FWS) and officially adopted by the BLM to provide interim guidance and immediate direction for conserving sage grouse habitat in Wyoming until the National Planning process is completed. We look forward to continuing our unprecedented collaboration with public stakeholders, industry, other Federal agencies, and the State of Wyoming as we finish amending our land use plans.

Calvert Q12: How can you tell States that it's worth their time and resources to do everything they can, while BLM, which holds the lion share of the lands where greater sage-grouse reside, is delaying the implementation of plans?

Answer: To ensure pragmatic sage grouse conservation strategies are implemented while the Greater Sage-Grouse National Planning Strategy is underway, in 2011, the BLM formally adopted interim sage grouse management policies to guide land use authorizations. These measures help the BLM and Forest Service (USFS) to determine whether to authorize or continue certain activities in Greater Sage-Grouse habitat, and to ensure that Greater Sage-Grouse populations and habitats are maintained or improved with minimized habitat loss. Conservation efforts are also occurring across the BLM's many programs, including wildland fire management, vegetation restoration, and conventional and renewable energy development.

The BLM will continue to conserve sage grouse habitat under its interim guidance while the National Planning process is completed with the full involvement of State agencies and stakeholders across the West. All 15 Environmental Impact Statement drafts have been released to the public, and the BLM expects to sign Records of Decision by the end of this calendar year.

Calvert Q13: For every square inch of greater sage-grouse historic and current range, is there a conservation plan—State, Federal, or otherwise—that, if fully implemented, creates sufficient guarantees that a greater sage-grouse listing isn't necessary? If not, then please identify the specific part or parts of the range with insufficient conservation plans; and if not, please also identify specific changes that must be made to any insufficient plan in order for it to be sufficient.

Answer: All sage-grouse habitat under the BLM's jurisdiction is covered by a land-use plan, and as noted above, the BLM is revising or amending these plans to provide improved regulatory mechanisms which ensure the conservation of the Greater Sage-Grouse and its habitat. The plans rely on conservation objectives identified by the Federal and State partners, including FWS, in the Conservation Objectives Team Report, as well as robust mitigation, monitoring, and adaptive management components. The goal of the BLM through this planning process is to provide sufficient regulatory certainty to conserve sage-grouse habitat. Ultimately, the FWS will make the determination whether the plans are sufficient and whether to list the species under the Endangered Species Act.

Calvert Q14: More than half of all remaining sage-grouse habitat in the U.S. is found on BLM public lands, so it is fair to say that successful conservation on these lands will factor heavily in the imminent decision of whether or not to list sage-grouse under the Endangered Species Act (ESA). This subcommittee has invested $30 million in fiscal years 2013 and 2014 in the BLM's National Greater Sage-Grouse Planning Strategy. The fiscal year 2015 budget proposes another $15 million to begin to implement those plans. If the decision is made to list the greater sage-grouse, I do not want to find out later that the BLM could have done more to improve and implement those plans.

When is FWS going to agree to the BLM plans that the two agencies have worked together produce? If FWS doesn't agree, then what was the point of spending so much time and money to collaborate?

Answer: BLM is scheduled to have administrative draft plans available by summer 2014 and final Records of Decision and Environmental Impact Statements completed by the end of 2014. The FWS continues to work closely with BLM to provide technical assistance and guidance to ensure the plans address the threats to the species and provide for conservation of the species habitat into the future. These plans will be valuable in guiding adaptive management of sage steppe habitat, which is critical to greater sage grouse conservation.

Calvert Q15: Does the $15 million proposed in fiscal year 2015 fully implement these plans? If not, what percentage of this plan does it fund? What percent of the improvement actions documented in these plans won't produce results until 2016 or beyond?

Answer: The $15 million proposed in the President's Fiscal Year 2015 budget request is designed to support the BLM's ongoing implementation of the National Planning Strategy process, as well as continued large-scale sage-grouse habitat assessment and improvement. Currently, no Decision Records have been signed for the 15 plan amendments and revisions. The BLM cannot project what funding will be needed to fully implement the conservation measures that will be adopted in the plans until the plans have been finalized, which will not occur until early in fiscal year 2015. Under its National Planning Strategy timeline, BLM intends to address these funding needs in its 2016 budget, to the extent that they cannot be fully implemented at the 2015 base funding level. Likewise, prior to signing Decision Records, it is unclear what percentage of the conservation measures will not produce results until 2016 or beyond.

A commitment to fund the plans is critical to providing certainty to the FWS that the conservation measures identified by the BLM in its land use plans will be implemented.

Calvert Q16: Are recent State and Federal efforts to conserve greater sage-grouse working? If so, provide a few examples of success stories and tell us how you're leveraging lessons, techniques, plans with others.

Answer: In December 2009, then Secretary Salazar convened a Sage-Grouse Task Force (SGTF) chaired by Governors Mead and Hickenlooper and the BLM Director. The SGTF's strategic mission is to identify and implement high priority conservation actions and integrate ongoing actions necessary to preclude the need to list the Greater Sage-Grouse under the Endangered Species Act in 2015. Members of the SGTF include Governor's Office representatives from the 11 States within the range of the Greater Sage-Grouse, along with the Department, the BLM, the USFS, the FWS, and Natural Resources Conservation Service representatives. This unprecedented Task Force has provided a venue for improved cooperation and collaboration around the shared goal of sage-grouse conservation.

Many successful conservation measures are also being implemented on the ground with our Federal, State, and private partners. One exciting effort recently documented the combined efforts of the Nevada Department of Wildlife, the Squaw Valley Ranch and the BLM to restore

areas burned in 2005 by the 97,000 acre Esmeralda wildfire in the BLM's Elko District, Nevada. The area affected by the fire provided habitat for one of the highest documented sage-grouse population densities in Nevada. Greater Sage-Grouse were documented using the restored areas within 3 years of reseeding. By 2012, sage-grouse population levels were near pre-fire levels. These types of cooperative treatments and management of activities in sage-grouse habitat are occurring across the landscape and are an integral part of the BLM's plan revisions and amendments to meet the needs of Greater Sage-Grouse.

Calvert Q17: If State and Federal conservation efforts continue at current levels, will an ESA listing be necessary?

Answer: The FWS partnered with the States to define the conservation objectives for greater sage-grouse that, if met, would conserve the species into the future. This report is referred to as the Conservation Objectives Team report (http://www.fws.gov/mountain-prairie/species/birds/sagegrouse/COT/COT-Report-with-Dear-Interested-Reader-Letter.pdf).

The BLM and U.S. Forest Service planning efforts will not be completed until this fall. The FWS continues to provide guidance to Federal and State agency efforts consistent with the objectives identified in this report. The FWS will consider these efforts in the current status review and will make an ESA determination by September 30, 2015, on whether an ESA listing proposal is still warranted.

Calvert Q18: What scientific basis is there for making a decision about whether or not to propose an ESA listing by September, 2015?

Answer: The FWS made a finding in 2010 that the greater sage grouse was warranted for listing, but that a listing determination was precluded by other higher priority listing actions. Based on the FWS listing priority guidance, the greater sage grouse was assigned a listing priority number (LPN) of 8 (out of 12; with 1 being the highest priority and 12 the lowest) based on the moderate imminency and moderate magnitude of the threats. The LPN for greater sage grouse has remained at eight in the Candidate Notice of Reviews published annually. Subsequent to the 2010 finding, the FWS finalized two settlement agreements in response to court-ordered petition deadlines and other lawsuits. The schedule for the agreements generally follows the species LPN, with listing determinations being made for species facing the highest degree of threats earlier than species facing a lesser degree of threats. These settlement agreements also resulted in the FWS prevailing in a separate lawsuit filed in September 2011, seeking to have FWS make a listing determination on greater sage grouse within 90 days. A finding of not warranted or a proposed rule to list the greater sage grouse is due by September 30, 2015.

The settlement agreements require FWS to make listing determinations under the ESA for 251 species on a workable and publicly available schedule. Between 2008 and 2010, FWS was engaged in litigation for missed deadlines on petition findings for approximately 895 species. Since the settlement agreements were approved and FWS made its work plan public, FWS's Listing Program has seen an almost 96 percent reduction in species subject to lawsuits filed for missed deadlines on petition findings.

The settlement agreements have accomplished our objectives of making our listing activities more certain and predictable, and allowing the FWS to focus limited resources on actions that provide the most conservation benefit to the species that are most in need of help.

Calvert Q19: If Interior had more time, could it make a more informed scientific decision about whether or not an ESA listing is necessary?

Answer: The ESA directs FWS to make expeditious progress in completing listing determinations for candidate species and to use the best scientific and commercial data available to make a decision whether a species warrants listing under the Act. This determination will be based on the information that is available at the time a decision is or needs to be made.

The settlement agreements have given FWS an additional four years to work on conserving the greater sage grouse prior to a listing decision. We believe there will be able information on which to base a well-informed scientific decision regarding listing in 2015.

Calvert Q20: Does Interior's FY15 budget propose funding for enough staffing to fully engage in partnership programs with State agencies and private land owners to implement conservation plans?

Answer: Yes. This request supports additional capacity across three regions of the FWS and 11 States. The majority of these positions will provide on-the-ground support for conservation on private lands, and to provide technical assistance for State and Federal conservation planning and implementation.

Calvert Q21: Does Interior's FY15 budget propose funding for enough staffing to efficiently process necessary permits for landscape restoration projects on public lands that benefit the Greater Sage-grouse? How does Interior measure efficiency in this case?

Answer: The $15 million proposed in the President's Fiscal Year 2015 budget request is designed to support the BLM's ongoing implementation of the National Planning Strategy process, as well as continued large-scale sage-grouse habitat assessment and improvement. Currently, no Decision Records have been signed for the 15 plan amendments and revisions. The BLM cannot project what funding will be needed to fully implement the conservation measures that will be adopted in the plans until the plans have been finalized, which will not occur until early in fiscal year 2015. Under its National Planning Strategy timeline, BLM intends to address these funding needs in its 2016 budget, to the extent that they cannot be fully implemented at the 2015 base funding level. Likewise, prior to signing Decision Records, it is unclear what percentage of the conservation measures will not produce results until 2016 or beyond.

The BLM plans will include strategies for identifying priority areas for conservation and restoration within the range of the Greater Sage-Grouse. These priority areas will be identified through a collaborative process with Federal, State, and private partners, and will look at an "all lands approach." This approach will create opportunities to improve efficiencies by targeting priority areas that will provide the greatest benefit to the species and allow partners to leverage

resources, thereby increasing the amount of conservation benefit that can occur on the ground.

Calvert Q22: Wildfire is a major threat to the Greater Sage-grouse and habitat. Are federal agencies prioritizing budgets for pre-suppression, suppression and post-fire rehabilitation in priority Sage-grouse habitat areas?

Answer: The DOI Wildland Fire Management program is highly aware of the important role that fire plays in sagebrush ecosystems. While firefighter and public safety is the top fire management priority, resource priorities are also a program consideration. In the BLM, for example, protecting, conserving and restoring sage-grouse habitat is one of their highest resource priorities and the Wildland Fire Management program contributes to that priority. The BLM issued policy several years ago reiterating each fire season that the BLM will continue to preposition fire suppression resources so that they can rapidly respond to fires in sage-grouse habitat, and provide fire crews access to sage-grouse habitat maps so that priority habitat can be emphasized during suppression. As an example, the BLM will emphasize the use of fire breaks, pinyon-juniper treatments, and non-native weed treatments to conserve and rehabilitate sagebrush habitat.

The DOI Burned Area Rehabilitation prioritization process ensures the highest priority needs are being met first and that funds are used in a consistent manner across all bureaus. The Department uses a rigorous process to rank BAR project proposals and allocate funds. One of the criteria includes: action is necessary to protect or enhance habitat for federally or tribally listed Threatened and Endangered (T&E) or candidate species. The U.S. Fish and Wildlife Service has until 2015 to make a final determination on listing the Greater Sage-Grouse under the Endangered Species Act (ESA).

Calvert Q23: Do feral horses and burros on the range have a negative impact on sage-grouse habitat, and, if so, why aren't more feral horses and burros being taken off the range?

Answer: Broadly, the BLM has seen no data that indicate feral horses have any greater or lesser effect on sage grouse habitat than other large herbivores, such as cattle. In some areas the impacts of grazing have been identified as having a negative impact on sage-grouse habitat. In response to the National Academy of Sciences (NAS) report, the BLM is exploring research and protocols for differentiating wild horse and burro environmental impacts from those of livestock and wildlife. In the meantime, the BLM will continue to aggressively monitor the range and utilization rates and make adjustments based on sound rangeland management practices and the best available science.

Calvert Q24: What budget investments are being made to control wild horse and burro populations to a level that is not detrimental to sage-grouse habitat?

Answer: In March, the BLM published a Request for Applications targeting the development of new and more effective fertility control methods. The BLM has increased the number of population inventory flights utilizing the methods developed by the U.S. Geological Survey and recommended by the NAS. The BLM is also developing partnerships with various non-profit organizations and prisons to train and adopt mustangs to well-qualified homes. The BLM has

almost completed its review of the NAS recommendations that were part of a BLM requested review of its Wild Horse and Burro Program and will implement the recommendations as funding permits.

Calvert Q25: What monitoring investment is being made to provide sufficient information as to the population trends of the species as well as habitat conditions?

Answer: In coordination with our State and Federal partners, the BLM is incorporating a robust monitoring strategy into its plans that will provide sufficient information to determine the status of the species populations and condition of its habitat. To help facilitate this monitoring effort, a Memorandum of Understanding is currently in development with the Western Association of Fish and Wildlife Agencies that will facilitate the sharing of Greater Sage-Grouse population data gathered by the States with the Federal agencies.

Calvert Q26: Nevada is 87% managed by the Federal government, and 84% of greater sage-grouse habitat in Nevada is located on Federal lands. Therefore, the responsibility for sage-grouse habitat management in Nevada is almost entirely the Federal government's.

Does the President's FY15 budget request include sufficient sage-grouse habitat management appropriations and regulatory mechanisms for BLM lands in Nevada?

Answer: The $15 million proposed in the President's Fiscal Year 2015 budget request is designed to support the BLM's ongoing implementation of the National Planning Strategy process, as well as continued large-scale sage-grouse habitat assessment and improvement. Currently, no Decision Records have been signed for the 15 plan amendments and revisions. The BLM cannot project what funding will be needed in Nevada or elsewhere to fully implement the conservation measures that will be adopted in the plans until the plans have been finalized, which will not occur until early in fiscal 2015. Under its National Planning Strategy timeline, BLM intends to address these funding needs in its 2016 budget, to the extent that they cannot be fully implemented at the 2015 base funding level. It is the intent of the revision process that all BLM plans will provide improved regulatory certainty and conservation measures for the Greater Sage-Grouse and its habitat.

Calvert Q27: On November 29, 2013, Fish & Wildlife Pacific Southwest Regional Director, Ren Lohoefener, wrote to Governor Sandoval of Nevada stating, "while I appreciate your efforts and the State's efforts to conserve sagebrush ecosystems in Nevada, I am concerned that the efforts will not achieve the desired outcome."

Do you believe the Department of Interior is adequately managing habitat on federal lands to the expectations of the Fish and Wildlife Service to avoid a listing?

Answer: The BLM is taking every step possible to revise and amend land-use plans to protect, conserve, and restore the Greater Sage-Grouse and its habitat. All efforts have been and continue to be developed in close coordination with the FWS and other partner agencies and stakeholders. The BLM expects that implementation of the updated plans will protect and conserve Greater Sage-Grouse and its habitat. Ultimately, the FWS will make its determination

whether to list the Greater Sage-Grouse based on the cumulative sum of all the conservation efforts across the range of the species.

Calvert Q28: Would you agree the vast majority of sage-grouse habitat management in Nevada is the responsibility of the federal government?

Answer: Yes. The land under Federal ownership in Nevada is the responsibility of the Federal government to manage. This responsibility also requires close coordination with the State of Nevada and other stakeholders and partners with interest in the management of our public lands.

LWCF FY15 Budget Request

The President's budget request for fiscal year 2015 includes $350 million in discretionary funding for projects through the Land and Water Conservation Fund (LWCF) and $550 million in permanent funding, for the total authorized level of $900 million for the Department of the Interior and the Department of Agriculture. According to the Administration, starting in fiscal year 2016, the President will propose the fully authorized level of $900 million annually in permanent, mandatory funding. The legislative proposal supporting the $550 million in permanent funding has not yet been transmitted to Congress. The administration had a similar request in the fiscal year 2014 budget, but the legislative proposal for permanent funding was never transmitted to Congress.

Calvert Q29: When will the Administration submit a legislative proposal for $550 million in permanent funding to Congress? What is the proposed funding mechanism, or offset, to support the permanent request? What are the consequences of not providing permanent funding for LWCF?

Answer: The 2015 budget includes 14 DOI-related legislative proposals affecting spending and/or revenues that require action by the authorizing committees in Congress. These mandatory proposals address a range of Administration priorities, from investing in high-priority conservation and recreation programs to achieving a fair return to the American taxpayer from the sale of Federal resources and reducing unnecessary spending. The 2015 budget includes four DOI mandatory spending proposals, of which the largest is the Administration's proposal to provide full mandatory funding for DOI and USDA Land and Water Conservation Fund programs. In total, estimated outlays for these DOI spending proposals total $9.9 billion over the next decade. This spending is partially offset by DOI revenue and savings proposals that are estimated to reduce outlays from the Treasury by roughly $2.7 billion over the next decade.

The President's Budget includes a variety of other revenue and savings proposals that could be used to offset the cost of providing full mandatory funding for LWCF. The Administration looks forward to working with Congress on the details of legislation that would advance our LWCF proposal, including the necessary offsets for this new spending.

Consequences of Not Providing Permanent Funding

- Uncertainty about annual discretionary appropriations makes it more difficult for the agencies—and local and State partners – to engage in the multi-year planning that

landscape conservation and effective collaboration with local communities requires. Land available for acquisition from willing sellers far outstrips available LWCF funding, leaving many landowners, who wish to sell their properties to the government for the public's enjoyment, in limbo, sometimes for years.

- The lack of certainty and irregularity of annually appropriated funding also impacts the partner groups that work with agencies. The chronic uncertainty and funding LWCF at less than the fully authorized level has made it increasingly challenging for Federal, State and local managers to use this tool to deal with the development threats facing the lands and waters that provide communities with recreational access and preserve our history.

- The Administration proposes to address these challenges by pursuing full and mandatory funding for LWCF programs. Mandatory funding would increase financial certainty needed to build local and community partnerships in conservation and optimize valuable investments by leveraging other Federal and non-Federal funds. Ramping up to reaching the fully authorized level in mandatory funding beginning in 2016, as we propose in the President's Budget, also provides an opportunity to enhance existing administrative structures to maximize transparency, efficiency and effectiveness.

- Mandatory funding will also finally achieve the original intent of the LWCF Act: to dedicate a meaningful portion ($900 million) of the royalties private companies pay to access the Nation's offshore oil and gas reserves to preserving the Nation's lands and waters for the benefit of all Americans and future generations.

Energy Exploration & Development

Last month, DOI released the final Programmatic Environmental Impact Statement, or "PEIS", for the Atlantic Outer Continental Shelf which is an important step in the determination of whether to open up new areas of the Atlantic OCS to oil and natural gas exploration. This release has been a long time in the making, and it is a vital next step.

Calvert Q30: Since this is your first budget hearing before our subcommittee, can you speak to your vision for additional energy exploration and development. I think we all agree that it's important to "get it right" but what are your goals for accessing known oil and gas reserves and for additional expansion and energy independence?

Answer: The Outer Continental Shelf (OCS) Lands Act, the National Environmental Policy Act, and other applicable laws set forth the careful process we follow in scheduling lease sales that will meet national energy needs in an environmentally responsible manner. The 2012-2017 Five Year Program supports the Administration's efforts to expand safe and responsible domestic oil and natural gas production as part of a comprehensive national energy policy.

The 2012-2017 Five Year Program includes 15 potential lease sales in six OCS planning areas – the Western and Central Gulf of Mexico (GOM), the portion of the Eastern GOM not currently under Congressional moratorium, and the Chukchi Sea, Beaufort Sea, and Cook Inlet planning areas offshore Alaska. These planning areas include the richest and most promising areas for oil and gas exploration and development on the OCS, and together they include more than 75

percent of the total undiscovered, technically recoverable oil and natural gas resources estimated for the entire OCS.

Since approval of the Five Year Program, BOEM has held five lease sales. The first three lease sales in the Central and Western GOM resulted in over $1.4 billion in accepted bonus bid revenue on over 2.6 million leased acres. The most recent two sales in the Central and Eastern GOM, held on March 19, 2014, resulted in an additional $850 million in high bonus bids on 1.7 million acres, which are now undergoing review to ensure fair value for the American people prior to award of those leases.

BOEM will initiate the planning process for developing the next Five Year Program, for 2017-2022, this summer. The first steps in developing the next Program will be publishing a Request for Information and holding public scoping meetings. This will initiate the process of deciding how, when and where it is appropriate to offer oil and gas leases on the OCS. It is a detailed, carefully executed, and public process that is based on sound scientific analysis. A key part of safe and responsible development of our offshore oil and gas resources is tailoring consideration of leasing to specific regions and environments, engaging with States and local communities as well as industry, NGOs and other stakeholders, and addressing potential conflicts.

The energy policy outlined by the Administration includes support for conventional energy resources including exploration and development in the Arctic. It's an area rich with potential.

Calvert Q31: The energy policy outlined by the Administration includes support for conventional energy resources including exploration and development in the Arctic. It's an area rich with potential.

What specific actions has the Department taken to streamline Arctic energy development? Given the very short drilling season in the Arctic (approximately three months) and increased funding by industry to develop Arctic oil and gas resources, has any consideration been given to extending the terms of leases from 10 to 15 -- or 20 -- years?

Answer: The Department is committed to supporting safe and responsible offshore oil and gas exploration in the Arctic. The Arctic holds substantial oil and gas potential, but also presents unique environmental and operational challenges. Offshore exploration in the Arctic must proceed in a way that is safe, prepared for the unique challenging Arctic environment, and respectful of the Alaska Native communities that depend on the ocean for subsistence. The Interagency Working Group on Coordination of Domestic Energy Development and Planning in Alaska, established by Executive Order in July 2011 and chaired by the Department's Deputy Secretary, has taken the lead in coordinating the permitting of energy projects across the relevant federal agencies, which will lead to greater efficiency in the regulatory process.

BOEM and BSEE are developing new rules to govern exploratory drilling on the Arctic OCS. This rulemaking is designed to ensure safe, effective, and responsible exploration of Arctic OCS oil and gas resources, while protecting the marine, coastal, and human environments, and Alaska Natives' cultural traditions and access to subsistence resources. The new rules are expected to codify and further develop key standards for operating offshore on the Arctic OCS.

The Outer Continental Shelf Lands Act limits an oil and gas lease to an initial lease period not to exceed 10 years, and as long after such initial period as oil or gas is produced from the area in paying quantities, or drilling or well reworking operations are occurring. The initial lease period is a key component for ensuring that companies diligently develop their leases. Under appropriate circumstances defined by regulation, a lessee may qualify to have the expiration of a lease suspended beyond the original lease period.

U.S. Geological Survey (USGS)

The USGS provides research and scientific information to support the mission of the Department of the Interior and its science requirements. The USGS also works in collaboration with other Federal, State, and tribal cooperators to conduct research and provide scientific data and information concerning natural hazards and environmental issues. The USGS budget continues critical science programs that generate relevant, objective information for natural resource managers and for communities throughout the Nation. It also engages in partnerships with universities, research institutions, and major public and private laboratories.

The FY 2014 Omnibus bill included language supporting USGS' efforts to continue developing an earthquake early warning prototype system on the West Coast. The UC Berkeley Seismological Laboratory, the California Institute of Technology, and the University of Washington, funded by the USGS and a grant from the Gordon and Betty Moore Foundation, have been developing an earthquake early warning system since 2005.

Calvert Q32: What is the current status of this earthquake early warning system? Where are we after nine years of development?

Answer: Since January of 2012, a demonstration version of the earthquake early warning system, called *ShakeAlert*, has been sending test notifications to a small number of test users, including California emergency response organizations, utility providers, rail operators and a number of private companies. The demonstration system has successfully sent notifications for hundreds of quakes in California. Recently it proved itself by sending alerts in less than 5 seconds for the earthquakes in Encino (M4.4) and La Habra (M5.1). However, before public warnings can be issued, the system must meet quality, speed and reliability standards. The USGS completed a cost estimate and an implementation plan for a West Coast public warning system for use by Federal, State, and local governments and private entities that may wish to move forward with such a system.

Calvert Q33: How much funding has USGS contributed on an annual basis to the earthquake early warning system? What level of funding is in the base budget?

Answer: USGS began funding earthquake early warning (EEW) research and system development in 2003. Since this time, the annual base funding amount has varied considerably, with the USGS contributing a total of nearly $10 million in base funds since 2003, or an average of $1.0 million per year. This funding total includes $3.67 million to support EEW R&D activities at universities and $1.75 million through the USGS Multi-hazards project. Base funds

were augmented with $4.4 million in American Recovery and Reinvestment Act (ARRA) funding which was used to upgrade antiquated earthquake sensor equipment on the West Coast between 2009 and 2011 to support EEW. The 2014 Omnibus appropriation provided $850,000 for earthquake early warning development, which increased the base budget for EEW in 2014 to $1.45 million. These totals do not include an additional $600,000 in funding provided to the USGS between 2012 and 2014 by the Gordon and Betty Moore Foundation for coordination of university R&D efforts contributing to EEW; this funding will end in late 2014. The budget request for EEW in 2015 is $1.45 million.

Calvert Q34: What more is needed, in terms of research, testing and/or funding, in order to move from the developmental phase to the operational phase?

Answer: The system has several components. To provide fast and reliable alerts for the West Coast, EEW plans call for adding 400 sensors to the Advanced National Seismic System in California and 250 in Washington and Oregon. Data communications from those sensors to processing centers must be upgraded to survive large damaging quakes and power failures. The processing center computers and software were developed in an academic R&D setting and must be engineered, implemented, and tested for fail-safe, public-facing operation. Finally, reliable delivery of alert messages via all available paths, both public and private, must be established and tested. These components can be completed within three to five years at a cost of $16 million per year.

Calvert Q35: Do you have any estimates on what it would cost to fully fund a public earthquake early warning system for the West Coast, operating the system continuously on a 24-hour, seven day a week basis?

Answer: According to the USGS implementation plan for earthquake early warning, the cost to construct and operate a fully implemented system on the West Coast is estimated to be $16 million per year.

Calvert Q36: Realizing that earthquakes take place all across the country, not just on the West Coast, what would it cost to operate a nation-wide earthquake early warning system?

Answer: FEMA has estimated that three-quarters of the national earthquake risk is on the West Coast. A strategy to extend EEW to the entire U.S. would need to evaluate the cost/benefit in lower risk areas, and focus first on those population centers with highest risk; which include New York City, Salt Lake City/Provo, Anchorage, San Juan PR, Memphis, St. Louis, Boston and Washington, D.C. This cost estimate has not yet been made. All of the development work for a West Coast system is transferrable at minimal cost to the ANSS regional seismic networks that now provides enhanced reporting of earthquakes in the intermountain west and the central and eastern U.S.

Calvert Q37: Grant funding from the Gordon and Betty Moore Foundation will not last forever, so has USGS investigated other potential partnerships with private organizations or industries that might be helpful in bringing the earthquake early warning system to the general public?

Answer: Moore Foundation funding to the universities for EEW research ends in late 2014 and will not be renewed. The USGS already partners with many organizations, both public and private, to monitor earthquakes; e.g. utility providers, transit companies, telecommunication companies, and equipment manufacturers. Interest in EEW is opening new opportunities for public/private partnerships.

Based on the experience of the Japanese system, we anticipate the private sector will play a significant role in distributing alerts to the public. USGS and its university partners are working to establish partnerships with mass notification, telecommunications, social media, and other companies to maximize alert distribution and create new business opportunities based on EEW technology.

Calvert Q38: Within the Climate and Land Use Change mission area, there is a $17.1 million increase for FY 2015, of which, $3 million is requested for drought impacts and adaptive management. You know of my great concern about drought in California, so I'm eager to hear more about what type of actionable scientific research USGS is conducting in this area.

Can you explain in some detail the work being done with regard to drought impacts and adaptive management. How specifically would this proposed $3 million be used?

Answer: The USGS would use the proposed $3.0 million to develop a science-based decision process for understanding and managing the impacts of drought on various parts of the Central and Western United States, including California. Much research is available on the effects of drought on human systems, notably agriculture, but the ecological effects are not as well studied. As research continues to indicate that the future will hold more and longer droughts, it is critical to understand thresholds and tipping points and provide managers with early action options. USGS scientists are just now starting to understand a how multi-year drought impacts ecosystems and associated services. There are potential surprises with possible wholesale changes to major ecosystems and managers have little information to prepare for it due to lack of data and lack of ecological definition. The USGS's goal is to use one or two drought stricken regions as examples to understand the impacts and then develop a decisionmaking process for managing limited water supplies in places like central California and/or the South Central United States. The USGS would develop working groups, consisting of USGS scientists, partners, and regional stakeholder networks from places impacted by drought to identify the science needs. Scientists attached to these working groups will develop models that integrate the social and economic impacts from drought and the USGS will use our visualization facility (located in the Fort Collins Science Center) to allow the working groups to work through scenarios using different decision points. Results from this project would provide actionable information on the likely ecological impacts from drought, create a tool or process to address competing concerns, and inform resource managers' decisionmaking. By focusing on the ecological impacts of drought, this project complements ongoing activities focused on water availability/supply and the agricultural and municipal effects of drought such as those under the National Integrated Drought Information Systems, U.S. Bureau of Reclamation basin studies, and other partners.

National Park Service Centennial

The National Park Service marks its 100th anniversary, or centennial, in 2016. I understand that a national celebration of what historical filmmaker Ken Burns described as "America's best idea" is now in the early stages of development. The subcommittee will have a more in-depth conversation about the Centennial Initiative with Director Jarvis at the Park Service hearing next week. I understand that your budget request proposes a multi-dimensional approach to funding the Centennial Initiative, with $40 million in discretionary funding requested from our subcommittee and additional funds requested through legislative proposals before the authorizing committees of jurisdiction.

Calvert Q39: Can you provide us with a brief description of the Centennial Initiative—how the proposed funds would be used, the Department's plans to leverage Federal funding with non-Federal partners, and your overall specific goals for this 100th anniversary celebration?

Answer: The President's request includes a discretionary increase of $40.0 million to prepare for and celebrate the Centennial, comprised of $30.0 million for operations to support an expected influx of visitors and volunteers during the 2016 Centennial celebrations and to provide a stronger foundation for visitor services and infrastructure investments in its second century of preserving the parks for on-going usage and the future enjoyment of visitors. Of the $30.0 million increase for operations, $4.0 million would support 21st Century Conservation Service Corps youth work opportunities to educate and engage the next generation; $2.0 million would support volunteer opportunities for young people to expand the capacity of the NPS to manage volunteers in parks; $8.0 million in competitively managed funds would support enhanced visitor services in the areas of interpretation and education, law enforcement and protection, and facility operations; and $16.0 million would support improvement in the condition of high-priority park assets, such as visitor use facilities, historic structures, and trails. Across these Centennial increases, the budget provides an $8.0 million increase for youth engagement and employment opportunities, and continues the NPS' efforts to attract qualified veteran candidates to fill Federal positions.

Also, $10.0 million of the $40.0 million discretionary request is for the Centennial Challenge program, which would leverage federal funds with partner donations for signature projects and programs at national parks. Preference would be given to projects that have a clear and immediate visitor benefit as well as a higher partner match. The Challenge will require at least a one for one match from non-federal entities, with some projects leveraging more. This proposal reinvigorates the Centennial Challenge program, which received federal funds of $39.6 million between FY 2008 and FY 2010; the NPS leveraged those federal funds into more than $48.9 million in private donations, for a total benefit of $88.4 million.

Additionally, the Centennial Initiative includes a legislative proposal for mandatory funding of $400.0 million a year for three years, including $100.0 million a year for three years for Centennial Challenge projects to engage partners in leveraging Federal funds, $200.0 million a year for three years to support Second Century Infrastructure Investment projects which would make a meaningful and lasting impact on the NPS' deferred maintenance backlog by restoring

priority park assets to good condition, and $100.0 million a year for three years to support a multi-agency competitive Centennial Land Management Investment Fund. Multi-agency funding will be awarded competitively to Interior's public lands bureaus and the U.S. Forest service for conservation and maintenance projects.

The Administration's proposal for the government-wide Opportunity, Growth, and Security Initiative supports the Centennial Initiative, proposing an additional $100.0 million for the Second Century Infrastructure Investment, and $100.0 million for the multi-agency Centennial Land Management Investment Fund.

The NPS Centennial Initiative, including funding proposed through discretionary appropriations, the mandatory proposal, and the President's Opportunity, Growth, and Security Initiative, will allow NPS to restore 1,700 or 20 percent of priority park assets to good condition. The effort will create thousands of jobs for youth, veterans, and others on projects to upgrade and restore national parks, will provide more than 10,000 work and training opportunities for young people, and will engage more than 265,000 volunteers in support of public lands.

The NPS also is engaging in a broad public campaign to reintroduce national parks and the work of the NPS to a new generation of Americans, supported by private funds from the National Park Foundation (NPF), the official nonprofit partner of the National Park Service. The two-year effort will begin in 2015 and run throughout the National Park Service's 100th anniversary year in 2016. Plans for the campaign, entitled "Find Your Park," are underway in collaboration with the NPF.

The National Park Service and the National Park Foundation will team up with partners to produce programs, events, and activities that will drive broad awareness, deepen engagement, and increase support for America's national parks, the work of the National Park Service, and its partners. In addition to making all 401 national parks go-to destinations, the campaign will highlight the historic preservation and outdoor recreation work the National Park Service does with communities across the country and the value it brings to Americans every day.

Calvert Q40: I appreciate that the president's proposed operations investment for National Parks includes covers fixed costs, and that the appropriated portion of the request includes a matching Centennial Challenge program that can leverage private dollars. But I'm also concerned about the deferred maintenance backlog which continues to grow each year. While the budget request includes a significant investment to address the maintenance backlog, it requires legislation in the authorizing committees of jurisdiction.

When will the administration be submitting its proposed legislation addressing the maintenance backlog to Congress?

Answer: We are working on the proposal and look forward to working with Congress on the Centennial Initiative.

Calvert Q41: Can you give me some specific examples of how the National Park operations shortfall has been impacting resource protection and visitor services?

Answer: The fundamental purpose of the National Park Service is to conserve park resources while providing a safe and enjoyable visitor experience for present and future generations. While every effort is made to provide the best possible care for America's unique resources and the best possible safety, convenience, and opportunity to millions of national park visitors, fiscal realities in 2013required the NPS to employ various strategies to operate within constrained budgets. Many parks reduced operating hours and limited use of certain areas, such as campgrounds and facilities during times of lower visitation, decreased the level of interpretation and education services provided, and deferred maintenance projects, further contributing to the backlog. Additionally, parks reduced the number of seasonal employees that are historically hired during peak visitation season. Reductions in seasonal hiring affect the frequency that NPS rangers are able to make contact with visitors, give general park information, maintain grounds and high-use facilities such as restrooms, and many other duties. The 2014 appropriation and the 2015 request allow park operations to operate more efficiently. The NPS remains dedicated to its mission, and will continue to prioritize the protection of America's natural and cultural resources and the safety of the millions of visitors seeking to enjoy them.

Stream Buffer Zone Rule

In February, the US DC District Court struck down the 2008 stream buffer zone rule on a technical point that the Office of Surface Mining failed to sufficiently consult with the Fish and Wildlife Service on impacts to endangered species.

Calvert Q42: Does the Department agree with the court's ruling that the Office of Surface Mining failed to properly consult with the Fish and Wildlife Service?

Answer: I understand that the Department does not agree with the court's ruling that the Office of Surface Mining Reclamation and Enforcement (OSMRE) failed to properly consult with the Fish and Wildlife Service.

Calvert Q43: To develop the 2008 rule, the Office of Surface Mining relied upon the Fish and Wildlife's biological determination from 1996. The court did not strike down the 1996 determination. Rather the court stated that it was 'arbitrary and capricious' for the Office of Surface Mining to assume that the 1996 determination was protective absent interagency consultations.

Does the Department feel that the Fish and Wildlife Service's 1996 determination is flawed or inadequate? If so, please explain.

Answer: No. The 1996 Biological Opinion only applies to the review and approval of individual coal mine permit applications. The Opinion does not apply to the other federal actions, such as rulemakings.

Consequently, for the actions it covers, the Opinion adequately protects not only threatened and endangered species listed at the time of signature in 1996, but it also protects species listed after the date of signature and species that may be listed in the future. Moreover, it creates an efficient

process. There is no need to reinitiate consultation for the actions covered by the Opinion, nor would there be any benefit from doing so.

Calvert Q44: If OSM were to consult the Fish and Wildlife Service in a manner that would meet the procedural deficiencies identified by the court, would the 1996 determination continue to serve as the basis for a rule? Could OSM reissue the 2008 rule after checking the appropriate interagency procedural boxes?

Answer: To be clear, the 1996 Biological Opinion applies only to the review and approval of coal mining permit applications under State and Federal regulatory programs adopted pursuant to SMCRA. The Opinion does not apply to rulemaking or any other actions under SMCRA. As a result, the Office of Surface Mining Reclamation and Enforcement (OSMRE) must initiate consultation with the Fish and Wildlife Service (FWS) under Section 7 of the Endangered Species Act (ESA) for any new rule that may affect threatened and endangered species or critical habitat. The 1996 Biological Opinion is not to be used for rulemakings.

Reissuance of the 2008 Stream Buffer Zone (SBZ) Rule would require a new rulemaking effort, which would include the publication of a proposed rule and the receipt and evaluation of public comments. Such a new rulemaking effort would also include, but is not limited to, the appropriate consultation with the FWS and concurrence from the Environmental Protection Agency. In addition, because of the time that has passed since 2008, OSMRE would need to update its National Environmental Policy Act (NEPA) documents to reflect the current environmental and socioeconomic impacts and determine whether changes in the energy market over the last six years would necessitate the preparation of a Regulatory Impact Analysis.

While some may categorize these steps as procedural, substantive changes to the 2008 SBZ Rule may result from the updated analysis. For example, the consultation process under Section 7 of the ESA is more than a matter of checking procedural boxes. It requires consideration of the effects of the proposed action, the 2008 SBZ Rule, on threatened and endangered species and designated critical habitats. Depending on the nature of those effects, it may be necessary to modify the 2008 SBZ Rule to avoid or minimize adverse effects. Likewise, the updated NEPA analysis, regulatory impact analysis, or comments received from the public that would be received during a new rulemaking process may necessitate changes to what was proposed in 2008.

Calvert Q45: How does the Court decision impact OSM's work to re-write the 2008 rule?

Answer: OSMRE continues to develop its draft proposed Stream Protection Rule (SPR) and preamble. OSMRE will review and revise, as necessary, to reflect the Court's decision. In addition, all supporting documents related to the SPR, including the Draft Environmental Impact Statement (DEIS) and the Regulatory Impact Analysis, will be reviewed and revised as necessary to conform with the Court's decision. Specifically, because the Court vacated the 2008 SBZ Rule and reinstated the pre-2008 regulations, OSMRE will need to ensure that the alternatives analyzed in the DEIS, including the no action alternative, and, ultimately, the proposed rule reflect this change. OSMRE is working collaboratively with its contractor to ensure these changes are properly incorporated into the environmental and socioeconomic effects analysis of

the DEIS and other supporting documents.

Prior to the Court's ruling, OSMRE had made the decision that it would initiate consultation with the FWS pursuant to Section 7 of the ESA. The Court's ruling has not changed this decision.

American Indian Education

Madam Secretary, you testified last year before the Senate Indian Affairs Committee that "Indian Education is an embarrassment." This subcommittee was encouraged by that statement because we felt we had a partner leading Interior who was as committed to this issue as we are.

Calvert Q46: Please tell us specifically how your FY15 budget begins to turn the Indian Education system around. How are you going to measure success during your tenure?

Answer: I have collaborated with the Secretary of Education, Arne Duncan, in establishing an American Indian Education Study Group to visit schools, classrooms, Tribal Governments, and Indian Affairs employees to hear their concerns and look at ways to improve American Indian Education. The Study Group is charged with looking at improvements to the classroom and the learning environment for students attending BIE-funded school facilities. Foundational issues the group is evaluating include the creation of a relevant curriculum; the need for retention and recruitment of effective teachers; the application of appropriate teaching practices; and addressing the student achievement gap.

The Group has traveled the Country to listen to BIE and tribal school employees, parents, students, and Tribal leaders directly impacted by the BIE system. The Group, with the support of Tribal leaders, has encouraged a dialogue which supports tribal sovereignty. It is necessary to provide appropriate oversight to shape the education provided to students attending BIE-funded schools. This allows Tribes greater local control and flexibility in delivering educational programs for their children. The group will conduct official tribal consultations to gather tribal views and input on recommendations for improving educational outcomes in schools. The Agency will then start to work to implement the consensus recommendations as determined through tribal consultation.

My measures of success will be in providing a learning environment that facilitates Indian student achievement attending classes in BIE-funded schools, the students attending these schools graduate, and they are prepared to start careers or are accepted in college to earn a higher education degree. The Administration is committed to ensuring Indian communities benefit from academically rigorous, culturally appropriate education that will prepare them to be productive citizens and leaders in their communities and help build safer, stronger, healthier, and more prosperous Indian communities and economies.

Calvert Q47: As you know, there are only two federal school systems in the nation: one for American Indian children, and one for military children. Both systems contain more than 60 schools in poor condition or worse. However, whereas the Department of Defense is in the middle of a five-year, $3.7 billion effort to replace their schools, Interior, for four years in a row now, has proposed not to start any school replacement projects and funding for school

maintenance remains essentially flat.

When will we see Interior prioritize Indian schools and propose investments in these Indian children and their families the way DoD has?

Answer: Since 2000, BIA has spent over $2.4 billion, including $300 million in American Recovery and Reinvestment Act funding, on school construction, improvement, and repair. In that time, BIA has completed or has under-construction 42 school replacements and 62 major renovations of BIE facilities. There are three schools on the BIE school replacement list that await funding. The FY 15 budget includes $3.2 million for site development at the Beatrice Rafferty School in Maine after receiving $1.0 million in FY 14 for planning and design. The two remaining schools on the list are the Little Singer Community School and the Cove Day School, both located in Arizona.

A new prioritized list of schools for replacement or renovation will be established after the conclusion of validation of the inventory and deferred maintenance needs for all 182 school campuses serving 183 BIE-funded schools, anticipated to be completed end of FY 2014. A listing of schools eligible to apply for the New School Replacement and Renovation Program is scheduled to be established by December 2014. Schools are eligible to be ranked for replacement or renovation if the school has an overall ranking of "poor" and/or are both 50 years old or older and educating 75 percent or more of students in portables as identified in the BIA facilities database. Eligibility is also based on criteria such as crowding, declining or constrained enrollment associated with facilities in "poor" condition, inappropriate education space, accreditation risk, and cultural space need, data which would be provided by the schools. Once designated as eligible, a school must make an application for replacement or renovation to be included in the prioritization process. A timeline for the next steps after December 2014 has not been determined at this time. During this process, schools will continue to receive Operations and Maintenance funding as well as Minor Improvement and Repair funding, based on established processes.

Calvert Q48: I know that you personally are interested in investing in America's youth and there are aspects of your budget request that reflect this priority. However, when it comes to investing in Native American youth, particularly with regard to education, I believe the Administration's budget request falls far short.

Is it right to spend $50 million to encourage children to get outside and pursue careers in science and conservation, as your budget proposes, while denying some of those same children a safe environment to learn basic reading, writing, and arithmetic?

Answer: One of the key priorities for this administration is the engagement of the public in Interior's mission, particularly America's young people. The future of the public lands depends upon young people becoming active stewards of the environment throughout their lives. Interior has a unique opportunity to harness the strong spirit of community service and volunteerism alive within the Nation's youth, and encourage them to use their time, energy, and talent to enjoy and conserve natural and cultural treasures.

When we spark a fire of passion for the outdoors in our children, we give them a lifelong gift of being able to enjoy nature and live healthier lives. We also lay the foundation for the next generation of conservationists, scientists, business leaders, teachers, and beyond that will understand the key role that national parks and public lands play in local communities, drawing visitors and boosting the economy.

The Administration is also committed to ensuring that Native American youth who attend Bureau of Indian Education-funded schools benefit from academically rigorous, culturally appropriate education that will prepare Indian students to be successful citizens and future leaders in their communities and help build safer, stronger, healthier, and more prosperous Indian communities and economies. Improving education and literacy in tribal nations is essential to vitalizing community life, stimulating economic development, increasing employment opportunities, and improving standards of living for future generations of Native Americans. A thriving educational system for American Indian students is a critical component of the broader initiative to strengthen tribal communities.

Indian Affairs owns or provides funding for a significant inventory of buildings and other facilities across the Nation, including education facilities in Indian Country. Currently, Indian Affairs funds facility programs at academic and resident-only campuses that serve the 183 BIE-funded units. From 2002 through 2014, over $2.0 billion, including $300 million of funding made available in the American Recovery and Reinvestment Act, has been provided for construction, improvement, and repair projects that have reduced the number of schools in "poor condition" from more than 120 of the 183 schools to 63 today. Appropriations for education construction over the last 15 years has funded 42 complete school replacements and 62 major renovations, which are either completed, funded or under construction.

There are still BIE schools that need major improvement and repair and many that need complete replacement. The budget supports progress in completing the 2004 Replacement School Construction priority list, on which three schools remain. The 2015 budget proposes $55.5 million for education facility construction including $3.2 million to fund site development at the Beatrice Rafferty School for which design funding was provided in the 2014 budget, and $52.3 million for facilities improvement and repair projects at education facilities and school employee housing.

Wildlife Trafficking / Ivory

Without exception we are all alarmed by the rapid increase in wildlife trafficking—in particular elephant ivory. In fact, this subcommittee recently increased funding for overseas efforts to stop it. Recently the Fish and Wildlife Service proposed a ban on all U.S. commercial trade of ivory—including ivory that has been in the lawful possession of U.S. citizens for generations. There are those who feel that banning the trade of ivory already in the U.S. amounts to an unlawful taking and will only increase demand for ivory on the black market.

Calvert Q49: Why do you feel that banning all U.S. commercial trade of ivory will save elephants?

Answer: The U.S. is one of the world's largest retail markets for products with elephant ivory with a large and generally unregulated domestic trade. A substantial amount of elephant ivory is illegally imported and enters the domestic market. It is extremely difficult to differentiate legally acquired ivory from ivory derived from elephant poaching. Our criminal investigations and anti-smuggling efforts have clearly shown that legal ivory trade can serve as a cover for illegal trade. As just one example, Service and State officers seized one ton of illegal elephant ivory from two New York City retail stores in 2012.

By imposing a near total ban on the domestic ivory trade, FWS can more effectively address the ongoing U.S. role in this trade. In addition, these actions better position the U.S. to work with other key ivory consumer countries to more strictly control other markets. These actions are just one component in the broader national strategy for combating wildlife trafficking. That strategy also includes working with the international community to protect wildlife populations; increased, coordinated law enforcement activity focused on the criminal syndicates that are increasingly responsible for wildlife trafficking around the world; and efforts to educate the public and reduce demand for ivory and other illegal wildlife products in consumer countries.

Questions from Mr. Joyce

LWCF and O&M Costs

Madame Secretary, I agree with you that the Land and Water Conservation Fund is essential to providing critical recreational access and sustaining the economies and the character of our communities. LWCF greatly benefits my home state, including the Cuyahoga Valley National Park which is located in my northeast Ohio district.

I support robust funding for LWCF, but am concerned that we continue to hear the argument that securing more conservation land would add unduly to federal land management and maintenance costs. A major share of LWCF goes to state and local grants programs, with the remainder being used for federal land easements that don't require additional management expenses.

Joyce Q1: Can you please provide us with a fuller understanding of the ways that land conservation through LWCF improves management and reduces operating expenses, including specific project examples where LWCF spending has reduced O&M costs, as well as the broader positive impacts of LWCF on O&M budgets?

Answer: The Department of the Interior LWCF programs work in cooperation with local communities, rely on willing sellers, and maximize opportunities to partner with private landowners on conservation easements where conservation and management objectives can be achieved without fee-simple acquisition. Proposed Federal land acquisition projects are developed with the support of local landowners, elected officials, and community groups.
Acquisition of inholdings does not generally require additional operating costs as no new staff or equipment are required to manage new lands within existing boundaries. Occasionally, agencies may incur up-front costs to remove existing improvements (fences, buildings, etc.) from an acquired property. By removing unwanted structures on newly acquired land, agencies avoid adding to ongoing O&M requirements.

In fact, acquisition of inholdings can greatly simplify land management for federal managers and neighboring landowners. Eliminating checkerboard ownership within federal units simplifies nearly every aspect of land management:

- Wildland fire managers can apply appropriate fuels reduction, planned burns, and fire suppression treatments more easily across an unfragmented landscape; fire management is more challenging and costly when private inholdings and developed properties are intermixed with federally-managed forests and public lands.
- Law enforcement and public safety personnel can more easily patrol and respond to emergencies when public ownership is consolidated. An unfragmented unit allows unified signage, road networks, and other infrastructure that will best enable safe public access and allow for the efficient movement of emergency personnel and vehicles to locations frequented by visitors.
- Recreation managers can more easily provide access for the public to enjoy their public lands. In some cases checkerboard ownership can cause confusion among the public about acceptable land uses, and can restrict the public's ability to access some areas of public land.

- Natural resource management is simplified in an unfragmented landscape. When checkerboard ownership is eliminated, biologists, geologists and other natural resource professionals can move freely across the land that they are responsible for surveying, and natural resource management actions can be applied more efficiently across a landscape in single ownership.

Examples of enhanced management resulting from land acquisition:

St. Vincent National Wildlife Refuge (NWR)

St. Vincent NWR is an island off the panhandle coast of Florida in Apalachicola Bay, off the Gulf of Mexico. Acquisition of the 5-acre tract on the mainland of Apalachicola Bay provides permanent deep water mooring with launch site, secure parking and equipment storage. An important point is that dredging and channel maintenance are allowed in Apalachicola Bay, activities that are prohibited in other nearby areas. The lease at Indian Pass, the current deep water mooring and launch site, was ending and would not be renewed as the owners were looking to develop the mainland at the launch site. In addition, the upland portion of the leased Indian Pass site had been significantly reduced due to severe, continuing, and progressive erosion that the landowner failed to address.

As the refuge is only accessible by water, the new deep water mooring and launch site reduces staff travel time from the refuge office to transfer supplies and heavy equipment. Daily boat access for St. Vincent NWR staff is required 24/7 for all island management activities, such as sea turtle nest monitoring and protection, habitat management, prescribed burning, hunting and fishing management and protection, and response to visitor emergencies.

With the acquisition of the mainland deep water boat mooring and launch site, the Fish and Wildlife Service eliminates the annual $12,000 lease and has significant savings in fuel for vehicles. Staff traveling to and from the work site and hauling equipment to Apalachicola Bay from the refuge office had to travel 20 miles to Indian Pass, then travel by watercraft to St. Vincent Island. At the end of each day, traveling was reversed back to the refuge office. Adequate parking for heavy equipment and vehicles is available at the new site.

Prior to the acquisition of the deep water mooring and launch site, the Service conducted a critical review and analysis of deep water mooring and access options in the general vicinity of the refuge. Only two or three options were possible, with the acquisition of the acquired site being the most cost effective and safest for staff. The other sites involved longer nautical travel distances at nine miles, were more costly as public boat launch sites, and did not offer the security needed for refuge equipment.

Yukon Flats NWR

The Service acquired five tracts totaling 480 acres within the Yukon Flats National Wildlife Refuge in Alaska. One tract contains prime river frontage along the Porcupine River with cliffs containing important nesting habitat for peregrine falcon. The other tracts contain frontage along Beaver Creek, Rock Slough, and the Black River. Most of these properties contain high quality wetland complexes and were isolated inholdings surrounded by Refuge land. Acquisition of

these parcels greatly benefits Refuge wildlife management and provides a cost savings to the government due to decreased fire management expenses.

San Joaquin NWR, CA

In 2006, the FWS acquired a 371-acre tract at San Joaquin NWR, including riparian water rights. Along with other acreage acquired within the Refuge, 2,700 acres have been restored to riparian woodland habitat. After three years, irrigations for the riparian restoration ceased. The land acquired was cropland that used approximately 24,000 acre-feet of water every year. With the land restored to riparian woodland habitat, the 24,000 acre-feet of water is not used for irrigation on the Refuge; the water stays in the San Joaquin River and benefits in-stream flow, aquatic species, and downstream users. The use of riparian water rights via lift pump on the Stanislaus River has saved the refuge approximately $140,000 in the past seven years ($20,000 annually). Previously, water was acquired by paying for expensive pumped well water.

A majority of the riparian habitat was lost over the past century to cropland. With the riparian forest rehabilitation within the Refuge, the riparian brush rabbit population has returned from the brink of extinction due to habitat loss and degradation.

Questions from Mr. Serrano

Urban Waters Federal Partnership

Your department is a lead agency for the Urban Waters Federal Partnership. Your predecessor came to the Harlem River in the Bronx to kick off the Urban Waters Federal Partnership several years ago. He said, and I agree with him, that reclaiming our urban waterways for the people couldn't be a more important use of our federal dollars and agency efforts. The reclaimed and restored Bronx River has been a transformative project in my community.

Serrano Q1: Would you please share how Interior is supporting--both in terms of staff and financial commitments--the Urban Waters Federal Partnership? Will Interior continue to be one of the four lead agencies on this effort?

Answer: The Urban Waters Federal Partnership (UWFP) initiative is an interagency effort to revitalize urban waters in communities where waterway revitalization is needed most. The goals of the initiative are to improve coordination among Federal agencies and collaboration with community-led revitalization partners to improve our Nation's water systems and promote their economic, environmental, and social benefits.

The Bronx and Harlem River Watersheds are one of these UWFP pilots, and the Department of the Interior continues to be the Federal lead. Recently, the Department identified David Russ, USGS Northeast Regional Director, as the Departmental lead on this effort. Dr. Russ is planning a site visit this spring.

The Bronx and Harlem Rivers pilot stands uniquely apart from the other UWFP pilots because it encompasses two disparate water bodies with two distinct constituencies. This adds to the complexity of implementing the initiative and to the challenges of responding to local needs and balancing resources between the two watersheds. The Department has been working closely with community groups, including the Bronx River Alliance and Harlem River Working Group, city and State agencies, and the Federal partners to identify funding and opportunities to target collaborative efforts toward restoring waterways and water quality, increasing public access, and creating parks and greenways along the rivers.

Bronx River

The effort to revitalize the Bronx River has been underway for over two decades. These efforts have been supported through significant Federal investments such as NPS' Rivers, Trails, and Conservation Assistance (RTCA) program via technical assistance as well as other Federal, State and city agencies' assistance for greenway construction, fish passage, stream restoration, and park creation. The Bronx River Alliance has been the coordinating force behind the success. They are a mature organization with the capacity to coordinate complex projects and partnerships. The Department has been able to work with their staff to identify opportunities they felt could benefit from a Federal partnership. For example, the Alliance's highest priority was dealing with an impasse between the New York State Department of Transportation (NYSDOT) and Amtrak on building a pedestrian overpass as part of the Bronx River Greenway. Through the UWFP, former Deputy Secretary David Hayes subsequently convened numerous

meetings between Amtrak and NYSDOT and great progress has been made. The two parties have worked to eliminate the obstacles and now work is underway to secure funding for the project. Planning, design, and permitting have been completed and the project is "shovel ready" pending the availability of funds. The NPS and partners are developing an application for a U.S. Department of Transportation TIGER grant for approximately $12 million and the City of New York has committed $12 million. Additionally, the Bronx River Alliance, with assistance from the NPS, developed a water trail for human powered boating that incorporates best management practices and design features that are an example for urban waterways. The Alliance also received Challenge Cost Share funding from NPS to expand their public canoe and kayak programing targeted at youth and their families. In recognition of these and many other efforts, Secretary Salazar designated the Bronx River Blueway as one of the first National Water Trails in 2012.

Harlem River

The effort to revitalize the Harlem River is an emerging effort and has not yet been the beneficiary of significant Federal investment. The Harlem River Working Group (HRWG), formed in 2009, is a coalition of approximately fifty organizations and is staffed by an all-volunteer staff. However, it does not yet have the same capacity to coordinate complex projects and partnerships as the Bronx River Alliance. The HRWG has identified its top three priorities as: developing a continuous waterfront greenway, increasing public access to the waterfront and out onto the river, and improving water quality in the river. The Department, through the USGS and NPS' RTCA program, has been working with the HRWG on a number of projects to address those priorities. For example, the USGS contributed funding in 2012 to support the HRWG's Watershed Protection and Partnership Action Plan and led the effort to collect, analyze, and report on available data of the current water quality status and condition of the Harlem River watershed. One of the activities engaging youth and the community included a partnership effort among the NPS, USGS, and Wilderness Inquiry where these three entities participated in an educational event on water quality during Harlem River Week in both October 2012 and 2013 which attracted hundreds of children and their teachers.

Urban Park & Recreation Recovery

Urban Park & Recreation Recovery was a very important tool that ceased to be funded in 2002. The Obama Administration has again asked for funding for the UPARR program – in the amount of $25 million for FY2015. Within the budget justification it says: "This proposal is also part of a broader, renewed focus by Interior to develop strategies to improve the integration of agency programs and park units to impact urban economies and the quality of life for urban residents through expanding opportunities for all." As a Member from a very urban district, this is a very important initiative.

Serrano Q2: Could elaborate for the committee your department's vision for urban parks and green spaces beyond what is in the budget justifications, and how this proposal would further that goal. Please detail staffing levels and criteria for distribution of resources.

Answer: Today, roughly 250 million Americans live in or near cities, and U.S. metropolitan areas are projected to grow in population by 32 percent or nearly 84 million people over the next three decades. Increasing urbanization has left millions of people without easy access to open spaces. As part of the America's Great Outdoors initiative, Interior is focusing on two major goals; creating easily accessible outdoor areas in urban settings, and restoring natural systems and greenspaces in cities.

Interior is embarking on an internal effort to inventory all of its programs, projects, and funding opportunities that are already or may impact metropolitan areas. As part of that process, Interior also is seeking to identify best practices in supporting urban recreation and greenspace preservation. For example, Interior is a signatory to the Urban Waters Federal Partnership, which is working in 19 pilot cities across the country to restore urban rivers and the communities that surround them. A major emphasis of the partnership is to ensure communities are connected to their urban rivers through a network of trails, parks and greenspace. Through this partnership, Interior and 13 other Federal agencies are working to align and better leverage resources to meet these community priorities.

With regard to the President's budget request, urban programs will significantly benefit from the Administration's proposal for $900.0 million in discretionary and mandatory funding for the Land and Water Conservation Fund in FY 2015, building toward permanently authorizing $900.0 million in annual funding for LWCF programs beginning in FY 2016.

The FY 2015 budget request for NPS highlights several requests that support the Department's vision for urban parks and green spaces. The $25.0 million in mandatory authority requested for the NPS Urban Park Recreation and Recovery (UPARR) program via the LWCF proposal would revitalize a program that has not been funded since 2002, and would support 40-50 projects to improve existing recreational opportunities in economically distressed urban communities in 2015. Grants are intended to rehabilitate indoor and outdoor recreation facilities; demonstrate innovative ways to enhance park and recreation opportunities; and develop local Recovery Action Program Plans to identify needs, priorities, and strategies for revitalization of the total recreation system. Requests from eligible communities for grant funding would be rated by a national panel using established criteria that consider factors such as project cost and leveraging; the affected community; existing condition of an anticipated improvements in recreation services; new employment opportunities created; community and partner involvement; and long-term commitment to the projects. The administration of this program will require an estimated five full time equivalent positions.

The NPS LWCF State Conservation Grants program complements the UPARR program. The State Conservation Grants program uses funds to help bolster States' capacity to leverage other Federal and non-Federal investments in land and water conservation. Funds are also used for acquisition and development of the highest priority lands and waters for conservation and recreation purposes. This program directly supports partnerships with State and local agencies through grant funds for projects that help create and protect a nationwide system of parks, open space, rivers and trails. The FY 2015 budget requests $48.1 million in discretionary funds for this program, level with 2014. Of this amount, $3.1 million is to administer the program, $42.0 million is to be awarded via the traditional formula allocation which is based on the LWCF Act

itself, and $3.0 million is for competitive grants, which could include grants to enhance recreation in urban areas. In 2015, the program will require an estimated 24 full time equivalent positions. The competitive component will be administered in conjunction with our long-term State partners, and an evaluation panel will score and rank proposals. In addition, the mandatory LWCF proposal includes an additional $52.0 million for the State Conservation Grants program in 2015.

Questions from Mr. Valadao

California Drought Crisis

Earlier this year, 2014 was on track to be the driest year on record, but some storms in in February and March brought enough precipitation to make 2014 only the second driest ever, behind 1977. Unfortunately, those storms did almost nothing to help the farmers of the San Joaquin Valley. Most of the water from those storms – more than 700,000 acre-feet -- went to the sea because the U.S. Fish and Wildlife Service and the National Marine Fisheries Service insisted that the water was necessary to meet ESA requirements for the delta smelt and the salmon.

It seems fishery agencies are continuing to continue to adhere to delta outflow requirements that clearly are inappropriate for the current drought situation. I'm told by water managers in my district that somewhere between 200,000 and 450,000 acre feet of water that could have been pumped to farms and cities of the San Joaquin Valley without harm to the smelt or salmon had your department exercised the flexibility granted to it under ESA. Instead, it seems hundreds of thousands of acre-feet of water have been WASTED while farms and livelihoods in the San Joaquin Valley dry up.

Valadao Q1: Madam Secretary, I know you have talked with irrigation district managers and farmers in the Valley and know the pain many of my constituents are feeling right now. The ESA gives you and the Secretary of Commerce the power to apply the ESA with flexibility and common sense during a drought emergency like this. Why haven't you used that power to its fullest extent?

Answer: Reclamation has been engaging with both the U.S. Fish and Wildlife Service (FWS) and National Marine Fisheries Service (NMFS) to exercise flexibility to operate while maintaining compliance with the Biological Opinions (BiOps). Reclamation and California Department of Water Resources (DWR), via drought contingency planning efforts, modified operations as allowed within the BiOps and the State Water Resources Control Board (State Water Board) requirements to capture runoff from storm events in early 2014. On April 8, 2014, the 2014 Drought Operations Plan was transmitted to FWS and NMFS. The Plan describes the proposed drought response measures for April 2014 through November 15, 2014. The Plan is a result of collaboration and cooperation between DWR, Reclamation, FWS, NMFS, California Department of Fish and Wildlife (DFW), and the State Water Board. The agencies will continue to work together to operate in a manner that protects species while delivering as much water as possible to meet our customers' needs.

In FY 2015, Reclamation will use $1.5 million to implement Drought Response and Comprehensive Drought Plans (Drought Response Program), a comprehensive new approach to drought planning and implementation actions to address water shortages. The new Drought Response Program will be based on a reformulation of the existing Drought Program. Funding for the Drought Response Program will be allocated through a competitive process using an empirical approach that emphasizes involvement from multiple stakeholders and the incorporation of climate change information.

Valadao Q2: At the time of this hearing, more rain is predicted for northern California this week. Will you use the power and implement the maximum flexibility ESA gives you to ensure that water isn't wasted from these storms too?

Answer: Senior technical staff from the 5 Federal and State agencies (NMFS, FWS, DFW, DWR, and Reclamation) worked together to develop the biological review of the overall 2014 Drought Operations Plan, released on April 8, 2014. Through these discussions, senior technical staff determined increasing exports to capture flow resulting from this storm event was consistent with the underlying analyses of the NMFS Biological Opinion and its reasonable and prudent alternatives.

San Joaquin River Restoration Settlement

Valadao Q3: I understand that some now estimate the San Joaquin River Restoration Program will now cost close to $2 billion to complete. At the current rate of appropriations and obligations by the program, how long will it take to complete the needed channel improvements and other restoration activities? Does the program's current authorization meet its projected costs?

Answer: In June 2012, Reclamation completed the *Working Draft Framework for Implementation* for the Restoration Program. The June 2012 Framework provided an updated schedule and budget for the Program's core projects assuming funding would be available when the individual projects were ready for implementation. The Program's funding needs are identified in Table 1 of the June 2012 Framework, which is available on the Program's website: http://restoresjr.net/program_library/02-Program_Docs/20120619_SJRRP_ Framework_ for_ImplDRAFT.pdf. The core projects to achieve the goals of the Stipulation of Settlement in *NRDC, et al.*, v. *Rodgers, et al.* will cost an estimated $892 million.

Reclamation is currently working with the parties to the Settlement to revise the Framework to reflect an anticipated rate of future appropriations for the Program. This update is in progress and is anticipated to be completed this year. This revised Framework will address how long it will take to complete the needed channel improvements, other restoration activities, and water management actions at the current level of appropriations and an anticipated rate of future appropriations.

Based on the June 2012 Framework, the Program's current authorization will meet its projected costs.

Valadao Q4: In light of the substantial increases in projected costs, which are now almost 10 times the amount that proponents of the San Joaquin River Restoration Settlement estimated the project could be completed for, what do you see as the path for success for this program? How do you see the program achieving success under its current authorization?

Answer: As part of the June 2012 Framework, the parties to the Stipulation of Settlement in *NRDC, et al.*, v. *Rodgers, et al.* identified a set of core activities that would achieve the goals of

the Settlement. The core projects are estimated to cost $892 million. Achievement of these core activities is expected to result in a successful Restoration Program and meet the requirements and obligations of the Stipulation of Settlement in *NRDC, et al.,* v. *Rodgers, et al.*, and Title X, Subtitle A of Public Law 111-11 (the San Joaquin River Restoration Settlement Act).

Valadao Q5: At the time the San Joaquin River Restoration program was developed, it was believed that the required channel improvement projects would be completed by 2014 and that there would be fish starting to migrate up and down the San Joaquin River. Currently, the channel improvements have not been completed and the fish aren't migrating. In fact, taxpayers are sending millions to truck salmon up and down the San Joaquin River. If the trap and haul program that is currently underway continues for the indefinite future, wouldn't that suggest that the Restoration plan isn't working? Is it time to take a second look at the financial and water costs associated with the project?

Answer: Continuation of the annual trap and haul program that is currently underway for the indefinite future would not be consistent with the Restoration Goal in the Stipulation of Settlement in *NRDC, et al.,* v. *Rodgers, et al.,* that calls for naturally-reproducing and self-sustaining populations of salmon and other fish. As part of the revisions to the June 2012 Framework that are underway and will be completed this year, we will identify a target date for ending the current annual trap and haul program. However, we expect that some infrequent and limited trap and haul actions may be necessary in future very dry year conditions.

It should be noted that the dates in the Settlement were based on a series of assumptions that were agreed to by the parties to the Settlement. Some of the key assumptions, such as expeditious passage of the authorizing legislation and immediate access to lands, have taken longer than expected and delayed certain activities. In addition, Reclamation has taken a broad and inclusive approach to implementing the Settlement, working to engage both the parties to the Settlement, but also those potentially affected by the Settlement, including the downstream landowners and water districts. This more extensive outreach effort is intended to find creative solutions to implement the Settlement in a way that also considers the needs of landowners and water districts adjacent to the river. Overall, implementation was behind from the onset due to delays in the passage of legislation and approvals for land access and adjustments are and will continue to occur to provide for an open, transparent, and inclusive process.

Valadao Q6: When the San Joaquin River Restoration Program was developed, it was agreed there would be no involuntary impacts on third parties. In 2009, when California was going through its last drought, Regional Director Donald Glaser told the Exchange Contractors that Reclamation would honor the Exchange Contract by releasing water from Friant Dam ahead of making water available to the Restoration Program. Specifically, Director Glaser stated: "...[i]f. A situation were to occur where settlement flows conflicted with Reclamation making necessary deliveries under the contract with the Exchange Contractors, which as we discussed below is highly unlikely, Reclamation would make water available to meet the contractual requirements, consistent with the Contract."

On May 7, 2012, Reclamation filed its application to the State Water Resources Control Board to divert and release water for the Restoration Program and represented that there would be no

harm to the Exchange Contractors' water supply from the Restoration Program because, "Reclamation will ensure that sufficient Millerton Reservoir storage is maintained, and that available San Joaquin River channel capacity is not impeded by the presence of Interim or Restoration flows, in order to make releases of available storage from Millerton Reservoir in lieu of deliveries from the Delta Mendota Canal if such releases become necessary under the terms and conditions of the Exchange Contract and various water right and settlement adjustment contracts."

Do you agree that, if water is not available from the Delta or San Luis Reservoir, Reclamation must deliver San Joaquin River water to the Exchange Contractors ahead of the Restoration Program in order to avoid harm and remain consistent with the statements made by the Bureau of Reclamation in its 2009 letter and in the 2012 application to the Water Board? Has the Department's position changed in any way since it made those statements in 2009 and 2012?

Answer: Reclamation's position has not changed. Consistent with Public Law 111-11, Section 10004(j), nothing in the San Joaquin River Restoration Settlement Act modifies or amends the rights and obligations under the Purchase Contract between Miller and Lux and the United States and the Second Amended Exchange Contract between the United States and the Central California Irrigation District, San Luis Canal Company, Firebaugh Canal Water District, and Columbia Canal Company.

Energy Development

Valadao Q7: BLM has been criticized for the delays on permitting, sometimes taking up to a year to approve a permit to develop oil and gas resources on public lands. The average, according to GAO, is 229 days. I understand that you are now in the process of finalizing rules related to hydraulic fracturing, which many believe will cause even more delays. Why are these rules needed given that States already regulate hydraulic fracturing and are doing a good job at it? What is the problem your Department is trying to solve? How much more delay do you anticipate if these rules go into effect? What are you planning to do to prevent fracking rules from causing additional permitting delays?

Answer: The BLM is continuing to make improvements and streamline the permitting process. At the end of fiscal year 2013 there were 6,711 Applications for Permit to Drill (APD) that had been approved and not yet utilized by industry. The average APD approval time in 2013 was 194 days nationwide, down from 228 days in 2012. Approximately 50% of APD approval time is spent working with operators to ensure that their applications are complete, and 50% is attributable to BLM processing. To further improve APD processing time, the BLM is developing an automated permit system which will improve the flow of data and enable operators to see what data may be missing from an application, as well as view the progress.

With regard to the proposed rule on hydraulic fracturing, the BLM has an important role to play in ensuring safe and effective use of hydraulic fracturing techniques on Federal and Tribal lands. The current rules covering these operations are 30 years old. The proposed rule would create a common set of minimum standards for operations on these lands across the country, including in States and on Indian reservations that are not regulating hydraulic fracturing. The BLM is

working with the State regulatory agencies and Tribes on an ongoing basis to eliminate duplication and promote efficiency. The BLM has entered into Memoranda of Understanding with many States to work together to enforce regulations in an efficient way, as they currently do in administering existing regulations covering oil and gas development. We do not expect the hydraulic fracturing rule to create any significant delays.

Valadao Q8: I understand that BLM held a meeting in Denver on venting and flaring of natural gas last week. Natural gas is a valuable commodity and it is in the best interest of energy producers to capture the gas and sell it. However, that is not always possible and a small percentage of it must either be vented of flared. What are the department's plans related to this activity? Are you planning to regulate venting and flaring?

Answer: The BLM is considering various options for addressing the venting and flaring of gas and the loss of gas through fugitive emissions from onshore Federal and Indian oil and gas leases. This includes preventing the waste of hydrocarbons, while promoting the conservation of produced oil and gas to also ensure a fair return to the American taxpayer.

The BLM operates a robust onshore oil and gas leasing program covering about 37 million acres of public lands with about 12.5 million of those acres producing 11 percent of the natural gas and 5 percent of the oil used in the U.S. The Government Accountability Office and DOI's Office of the Inspector General have identified the current venting and flaring rules, found in the Notice to Lessee and Operators No. 4A, as deficient and outdated. These regulations were written in 1979, and the industry and the technology it uses have changed a great deal since then.

The Department of the Interior and the BLM are undertaking this outreach to begin dialogue with Tribal and State governments and a large group of other stakeholders about the best ways to prevent loss of gas and maximize return to the taxpayers. The Denver outreach was the first of four sessions. Similar sessions will be conducted in Albuquerque, NM on May 7, Dickinson, ND on May 9, and in Washington D.C. on May 15.

Valadao Q9: Please describe what is different about the discussion of a proposed rule on venting and flaring, or what BLM is now considering with respect to the proposed rule, and EPA's "Quad O (OOOO) Rule" to reduce emissions from exploration and production operations for crude oil and natural gas. How do the Department and BLM plan to avoid duplicative regulation in this area? Do the Department and BLM plan an economic analysis to ascertain the effects of new regulations of venting and flaring on the administrative costs borne by the Department and by the companies that are seeking to produce energy resources from public lands?

Answer: The Department of the Interior and the BLM are aware of the Environmental Protection Agency's (EPA) "Quad O" regulations, published August 16, 2012. The scope of our rules differ – – EPA established national standards, while BLM's requirements would address operations on lands and resources that we are directly responsible for managing on behalf of the American public. Based on these land management responsibilities, BLM needs to consider reasonable options for reducing flaring and venting from both ongoing and new operations. As part of our regulatory process, we will consider EPA's requirements and processes to see if there

are ways to conform certain BLM oversight requirements and processes to improve effectiveness and minimize operator compliance burdens. With regard to an economic analysis, it is a standard component of any rulemaking, and any rulemaking the BLM does in this area will include such an analysis.

Valadao Q10: What can you say about the timing for the development of new or revised BLM regulations on the measurement of oil and gas production from federal lands now covered under BLM Onshore Orders 3, 4 and 5? Can you describe the Department's objectives in pursuing changes to the current set of rules?

Answer: Recent audits have identified the need to update these Onshore Orders, which were originally written in the 1980s. The BLM response to those audits agreed with this finding, and to the need to update these Orders. These updates will address changes in technology and industry practices and the BLM anticipates publishing a draft rule for public comments in 2015.

Onshore Order 3 establishes minimum standards for ensuring that oil and gas produced from Federal and Indian (except the Osage Tribe) oil and gas leases are properly and securely handled, to prevent theft and loss, and to enable accurate measurement and production accountability. In revising the Order, the BLM expects to address the use of seals, by-passes around meters, documentation, reporting of incidents of unauthorized removal or mishandling of oil and condensate, facility diagrams, recordkeeping, facility measurement points, commingling, and off-lease measurement by operators, purchasers, and transporters.

Onshore Orders 4 and 5 establish minimum standards for accurate measurement and proper reporting of all oil and gas produced from Federal and Indian leases. These Orders include requirements for the measurement equipment and procedures needed to ensure accurate and verifiable measurement on which royalty is based. Industry measurement specialists and field technicians would primarily use these Orders, as well as BLM inspectors and engineers. The revisions will include consideration of current technology.

Valadao Q11: Please describe the Department's resource goals and objectives with respect to development of the Monterey Shale resources that are likely to be found on BLM lands in California. The existing goal for energy development in the Resource Management Plan for BLM's Hollister, California District "*balances resource conservation and ecosystem health with the production of commodities and with public use of the land.*" From a policy standpoint and in view of the language BLM uses to describe its multiple use mission in the discussion of Federal Land Policy and Management Act, how does the Department plan to achieve this balance in a manner that allows development of the Monterey as one of the multiple use goals?

Answer: In order to balance "resource conservation and ecosystem health with the production of commodities and with public use of the land", the Resource Management Plan for the BLM Hollister Field Office defines which public lands are suitable and open for leasing. Some of these lands that are open for leasing include areas of the "Monterey Shale". If companies nominate lands for leasing that encompass the "Monterey Shale", the BLM will evaluate those nominations for possible auction at lease sale. To further inform these processes and decisions, the BLM has chartered a peer-reviewed science report that is specific to California to assure the

BLM has a good, science-based foundation as it moves ahead.

Earthquake Early Warning

Valadao Q12: Secretary Jewell, you are no doubt familiar with the March 17 earthquake that struck the Los Angeles area. It is my understanding that this 4.4 magnitude earthquake is one of the strongest earthquakes to hit Southern California in recent years. I firmly believe that it is a matter of when, and not if, our next significant earthquake event will occur. Given the millions of lives and billions of dollars on the line, can you give me an update on the status of developing an earthquake early warning system for the West Coast?

Answer: Since January of 2012, a demonstration version of the earthquake early warning system, called *ShakeAlert*, has been sending test notifications to a small number of test users, including California emergency response organizations, utility providers, rail operators and a number of private companies. The demonstration system has successfully sent notifications for hundreds of quakes in California. Recently it proved itself by sending alerts in less than 5 seconds for the earthquakes in Encino (M4.4) and La Habra (M5.1). However, before public warnings can be issued, the system must meet quality, speed and reliability standards. The USGS completed a cost estimate and an implementation plan for a West Coast public warning system for use by Federal, State, and local governments and private entities that may wish to move forward with such a system.

Questions from Ms. McCollum

Land and Water Conservation Fund

The Land and Water Conservation Fund (LWCF) is used to provide critical recreational access, conserve natural and historic lands, and support our economies and the character of our communities. I am glad to see the President's commitment to fully fund LWCF in FY15. I look forward to working with you to end the diversion of LWCF revenues and to secure funding for the program into the future.

I am concerned with the argument that obtaining more conservation land would add burden to Federal land management and maintenance costs.

McCollum Q1: Can you please provide a fuller understanding of the ways that land conservation through LWCF improves management and reduces operating expenses, including specific project examples where LWCF spending has reduced operations and maintenance (O&M) costs, as well as the broader positive impacts of LWCF on O&M budgets?

Answer: The Department of the Interior LWCF programs work in cooperation with local communities, rely on willing sellers, and maximize opportunities to partner with private landowners on conservation easements where conservation and management objectives can be achieved without fee-simple acquisition. Proposed Federal land acquisition projects are developed with the support of local landowners, elected officials, and community groups.

Acquisition of inholdings does not generally require additional operating costs as no new staff or equipment are required to manage new lands within existing boundaries. Occasionally, agencies may incur up-front costs to remove existing improvements (fences, buildings, etc.) from an acquired property. By removing unwanted structures on newly acquired land, agencies avoid adding to ongoing O&M requirements.

In fact, acquisition of inholdings can greatly simplify land management for federal managers and neighboring landowners. Eliminating checkerboard ownership within federal units simplifies nearly every aspect of land management:

- Wildland fire managers can apply appropriate fuels reduction, planned burns, and fire suppression treatments more easily across an unfragmented landscape; fire management is more challenging and costly when private inholdings and developed properties are intermixed with federally-managed forests and public lands.
- Law enforcement and public safety personnel can more easily patrol and respond to emergencies when public ownership is consolidated. An unfragmented unit allows unified signage, road networks, and other infrastructure that will best enable safe public access and allow for the efficient movement of emergency personnel and vehicles to locations frequented by visitors.
- Recreation managers can more easily provide access for the public to enjoy their public lands. In some cases checkerboard ownership can cause confusion among the public about acceptable land uses, and can restrict the public's ability to access some areas of public land.

- Natural resource management is simplified in an unfragmented landscape. When checkerboard ownership is eliminated, biologists, geologists and other natural resource professionals can move freely across the land that they are responsible for surveying, and natural resource management actions can be applied more efficiently across a landscape in single ownership.

Examples of enhanced management resulting from land acquisition:

St. Vincent National Wildlife Refuge (NWR)

St. Vincent NWR is an island off the panhandle coast of Florida in Apalachicola Bay, off the Gulf of Mexico. Acquisition of the 5-acre tract on the mainland of Apalachicola Bay provides permanent deep water mooring with launch site, secure parking and equipment storage. An important point is that dredging and channel maintenance are allowed in Apalachicola Bay, activities that are prohibited in other nearby areas. The lease at Indian Pass, the current deep water mooring and launch site, was ending and would not be renewed as the owners were looking to develop the mainland at the launch site. In addition, the upland portion of the leased Indian Pass site had been significantly reduced due to severe, continuing, and progressive erosion that the landowner failed to address.

As the refuge is only accessible by water, the new deep water mooring and launch site reduces staff travel time from the refuge office to transfer supplies and heavy equipment. Daily boat access for St. Vincent NWR staff is required 24/7 for all island management activities, such as sea turtle nest monitoring and protection, habitat management, prescribed burning, hunting and fishing management and protection, and response to visitor emergencies.

With the acquisition of the mainland deep water boat mooring and launch site, the Fish and Wildlife Service eliminates the annual $12,000 lease and has significant savings in fuel for vehicles. Staff traveling to and from the work site and hauling equipment to Apalachicola Bay from the refuge office had to travel 20 miles to Indian Pass, then travel by watercraft to St. Vincent Island. At the end of each day, traveling was reversed back to the refuge office. Adequate parking for heavy equipment and vehicles is available at the new site.

Prior to the acquisition of the deep water mooring and launch site, the Service conducted a critical review and analysis of deep water mooring and access options in the general vicinity of the refuge. Only two or three options were possible, with the acquisition of the acquired site being the most cost effective and safest for staff. The other sites involved longer nautical travel distances at nine miles, were more costly as public boat launch sites, and did not offer the security needed for refuge equipment.

Yukon Flats NWR

The Service acquired five tracts totaling 480 acres within the Yukon Flats National Wildlife Refuge in Alaska. One tract contains prime river frontage along the Porcupine River with cliffs containing important nesting habitat for peregrine falcon. The other tracts contain frontage along Beaver Creek, Rock Slough, and the Black River. Most of these properties contain high quality wetland complexes and were isolated inholdings surrounded by Refuge land. Acquisition of

these parcels greatly benefits Refuge wildlife management and provides a cost savings to the government due to decreased fire management expenses.

San Joaquin NWR, CA

In 2006, the FWS acquired a 371-acre tract at San Joaquin NWR, including riparian water rights. Along with other acreage acquired within the Refuge, 2,700 acres have been restored to riparian woodland habitat. After three years, irrigations for the riparian restoration ceased. The land acquired was cropland that used approximately 24,000 acre-feet of water every year. With the land restored to riparian woodland habitat, the 24,000 acre-feet of water is not used for irrigation on the Refuge; the water stays in the San Joaquin River and benefits in-stream flow, aquatic species, and downstream users. The use of riparian water rights via lift pump on the Stanislaus River has saved the refuge approximately $140,000 in the past seven years ($20,000 annually). Previously, water was acquired by paying for expensive pumped well water.

A majority of the riparian habitat was lost over the past century to cropland. With the riparian forest rehabilitation within the Refuge, the riparian brush rabbit population has returned from the brink of extinction due to habitat loss and degradation.

United States Geological Survey Groundwater

Groundwater is a valuable resource for Minnesota and the nation. When parts of the country are experiencing drought, groundwater may be considered a part of the solution.

McCollum Q2: What can Congress do to support the USGS and States in their efforts to implement a national groundwater monitoring network to ensure we have the necessary data to understand the status and trends of this strategic resource?

Answer: The USGS appreciates the leadership that Representative McCollum has shown on this issue.
Groundwater is indeed a strategic resource important to every State. It is the source of drinking water for about half the Nation, nearly all of our rural population, and many urban residents. Groundwater is a critical resource for many industries, and irrigation from groundwater supports our Nation's agriculture. Groundwater also sustains flow in most rivers, streams, and wetlands and, as such, is important to many ecosystems. A resource of that importance must be monitored to be managed effectively. Current groundwater monitoring has many gaps and does not meet national needs. To address these national needs, a framework was developed for a National Groundwater Monitoring Network (NGWMN) in response to the SECURE Water Act (P.L. 111-11) Section 9507(b) to provide a systematic groundwater monitoring program for each major aquifer system in the United States. The proposed NGWMN is expected to fill these monitoring gaps.

The SECURE Act requires the USGS to develop the NGWMN in coordination with the Advisory Committee on Water Information (ACWI) Subcommittee on Groundwater (SOGW), and State and local water resources agencies. The SOGW--including more than 70 people from 54 organizations—designed the NGWMN, and volunteer State pilot projects in Illinois, Indiana,

Minnesota, Montana, New Jersey, and Texas successfully demonstrated the feasibility of the network design. USGS developed and delivered a pilot data portal open to the public that demonstrates the value of the NGWMN by allowing data users to view the pilot NGWMN and to query Network groundwater data. The NGWMN is poised for successful implementation when funding is available. Congressional support for the FY 2015 budget request will allow the USGS to begin implementation of a collaborative NGWMN using the proposed national framework and taking advantage of existing monitoring done by Federal, State, tribal and local agencies.

McCollum Q3: The federal government and the nation look to USGS for basic scientific data, including groundwater level and quality data. How does the FY 2015 budget request for USGS address moving forward a national groundwater monitoring network?

Answer: The FY 2015 budget request will allow the USGS to begin implementation of the NGWMN as outlined in the SOGW report, "A National Framework for Ground-Water Monitoring in the United States". This report recommends that the USGS operate and manage the NGWMN through strong collaboration with the States. In 2015, the USGS will bring 10-15 States into the NGWMN, select an advisory board, solicit additional Federal, State and local data providers, and fund operation of data portal and collection at NGWMN backbone sites managed by Federal and non-Federal NGWMN partners.

When fully implemented, the NGWMN will support Federal and State interests and allow the USGS to meet the goals outlined in the USGS National Water Census. National water availability and use have not been comprehensively assessed in more than 30 years.

The FY 2015 budget request also will allow the USGS to begin to meet our obligations under the SECURE Water Act to "expand the Climate Response Network (CRN) to each climate division in order to improve the understanding of the effects of global climate change on groundwater recharge and availability." The CRN is designed to provide long term records from aquifers that are not affected by pumping or other outside influences so the water levels reflect climatic variability and not human influences.

Bureau of Indian Affairs—Johnson O'Malley

The Johnson O'Malley Indian Education (JOM) program provides valuable support for the academic, social, and cultural needs of Native American students outside of BIE schools. However, I have questions about the Department's management of the JOM program, and I am deeply concerned that the lack of an updated student count is undermining the program's effectiveness.

McCollum Q4: What plans have BIA/BIE developed to conduct a full, updated student count and report back to Congress, as directed in *FY2014 Consolidated Appropriations Act* (P.L. 113-76)? Please include details on the anticipated timeline with benchmarks, the proposed methodology, and who will be conducting the count.

Answer: Indian Affairs plans to publish a Federal Register Notice and issue a Dear Tribal Leader letter this spring announcing that the Bureau of Indian Education (BIE) will conduct a Johnson O'Malley student count in fiscal year 2014. The announcement will be distributed to

the current JOM contractors, public schools, national tribal organizations, Alaska Native corporations and State Departments of Education, as well as being posted on the BIE's web page. To promote an accurate and timely count, BIE will provide technical assistance to aid tribes, tribal organizations, public schools and State Departments of Education during the student count process. Currently, BIE plans to have an early September deadline for submittal of self certified student counts. This will allow BIE time to review all data and prepare the final report. The report will be sent to Congress by September 30, 2014.

McCollum Q5: How does BIA/BIE plan on reaching out to those tribes and school districts that have eligible students but are not yet under contract? Will the contract application process be opened in conjunction with conducting a new student count?

Answer: The two primary outreach methods announcing the count will be a Federal Register Notice and a Dear Tribal Leader letter. Indian Affairs has found that Dear Tribal Leader letters are very effective in communicating with Tribal leaders. The announcement will also be distributed to the current JOM contractors, public schools, national tribal organizations, Alaska Native corporations and State Departments of Education. The BIE plans to begin issuing notices to these entities soon after the Federal Register Notice and Dear Tribal Leader letters are published. To promote an accurate and timely count, BIE will provide technical assistance to aid the various entities that have questions during the application process, with follow-up assistance as needed when the student counts are received.

It should be noted that the submission of the student count is voluntary. The contract application process will proceed once the student count process is completed. Additional information on the JOM student count and the contracting process can be found at 25 CFR 273.

Bureau of Indian Affairs—Domestic Violence

This budget represents the first opportunity for the Administration to support tribal courts in exercising the special jurisdiction over domestic violence that was established in the *Violence Against Women Reauthorization Act of 2013* (P.L. 113-322). While funding in the act was primarily designated to come from the Attorney General's office, I am interested to hear how the BIA is supporting tribal nations as they take on this new law enforcement challenge, as well as the ongoing work to prevent abuse and assault, and support Native women and families.

McCollum Q6: What resources and tools do tribal justice systems need as they prepare to take on their new domestic violence special authority?

Answer: The recent re-authorization of the Violence against Women Reauthorization Act of 2013 (VAWA) expands Tribal court jurisdictional requirements and will have a significant impact on tribal justice systems and social service programs. The law amends, among other statutes, the Indian Civil Rights Act, 25 U.S.C. 1301; and the Federal Assault provisions under 18 U.S.C. 113, the Domestic Violence and Stalking Chapter, specifically addressing the full faith and credit given to tribal protection orders, under 18 U.S.C. 2265. Furthermore, the tribal court systems, through new provisions in the Tribal Law and Order Act, have increased sentencing authority as well as requirements to comply with a cadre of other mandates under the TLOA.

Tribal court systems are evolving to meet the demands of tribal communities, including the increasing demands pursuant to the enhancement provisions of the TLOA, as well as the newly re-authorized VAWA. These judicial systems address everything from violent crimes and drug use, to domestic and family issues, to all types of civil claims. Recent increases in appropriations have augmented the courts' capacity through increased staffing, acquisition of computers and software, training, and equipment. The appropriations proposed in FY 2015 will be used to continue the courts' capability to reduce caseloads, address the backlog of criminal cases, tort claims, tribal probate claims, and family law issues pursuant to the Indian Child Welfare Act.

Has BIA planned for the additional training and support that tribal law enforcement officers and tribal courts will now need?

Answer: As a result of provisions contained in the reauthorized VAWA, the Bureau of Indian Affairs will develop and implement training for direct service program staff in the areas of law enforcement, social services, victim services, and courts. While nothing in the law requires Tribes to "opt in", the BIA will provide technical assistance and training to Tribes operating these programs under self-determination contracts and compacts which choose to adapt policies and procedures and rewrite codes to reflect provisions in the VAWA reauthorization. In addition, BIA is in the process of expanding tribal court advocacy training sessions to include assistance in jury selection with challenges for cause and preemptory challenges and how to submit a jury charge to the court.

The BIA is in the process of creating two public defender clinics for tribal courts. The focus of these clinics will be to train public defenders on how to meet with their client, discuss the case with client and prosecutor, and continue with the evidence-based training presently in the tribal court advocacy training sessions. The BIA is also in the process of developing training for judges to understand the mental health issues affecting domestic violence issues, along with training specific to victim responses to violence. Finally, training will be provided to tribal court personnel, including judges, on the services available for both the defendant and victim so that probation conditions can properly address the problem.

Additionally, the BIA expects to have webinars available for tribal judges in the near future, and expects to advertise additional trainings which will include Indian Country jurisdiction in general and VAWA, as well as the jurisdictional issues which focus on tribal protection orders and full faith and credit between State and tribal governments.

McCollum Q7: How will the BIA be working with the DOJ to make sure that all tribal courts can benefit from the experiences of those currently under the pilot project and those working toward taking on the special jurisdiction?

Answer: The BIA is presently working with DOJ on all VAWA issues and expects to continue to work on issues affecting tribal courts through the next several years. Presently, DOI meets at least once a week with DOJ to discuss VAWA pilot project applications and provide a progress

report on the three tribal courts with DOJ approval to exercise the special domestic violence jurisdiction. The BIA conducts round table discussions regarding tribal concerns with VAWA implementation and shares the reports with DOJ and will continue to do so. The BIA is also working with DOJ to provide additional assistance to Tribes in the form of additional victim specialists and training for tribal victim specialists.

The BIA is working with the DOJ-Office of Tribal Justice and with the Deputy Assistant Attorney General's Office regarding the pilot project applications. BIA will coordinate with DOJ to provide VAWA information to as many Tribes as possible regarding the VAWA application process. BIA is providing training and technical assistance and additional funding to those two Tribes presently in the queue awaiting approval of their VAWA application.

DOI/BIA works alongside DOJ in creating and coordinating a comprehensive training and technical assistance resource list which will include DOJ opportunities and opportunities provided by State, local, and non-profit groups focusing on VAWA matters. The BIA also works with the DOJ-Access to Justice (ATJ) Initiative for Public Defense. ATJ is a part of the tribal court trial advocacy training sessions, where over 300 tribal court personnel have been trained in trial skills. Another six sessions will be forthcoming in 2014 and 2015.

McCollum Q8: How will the $3.0 million in increased funding proposed in Social Services be used to help tribal nations and Indian families to address the crisis of violence against Native women?

Answer: The FY 2015 budget request proposed a $10.0 million increase to launch a new initiative to combat increasing rates of domestic and family violence in Indian Country. The BIA will develop a comprehensive plan for addressing the needs of Indian communities with high rates of domestic and family violence. The BIA Human Services program will partner with the BIA Law Enforcement program to create the comprehensive plan. The goals of the initiative are to address domestic and family violence in Indian Country to include: 1) expanded family services related to domestic and family violence; 2) improved teamwork between law enforcement and social services to more rapidly address instances of domestic and family violence; and 3) better coordination of services with other related domestic and family violence partners in Indian Country.

Tribal and BIA case workers are the first responders for child and family services on reservations and in Indian Country. In order for Tribes to effectively administer social services programs and mitigate risks associated with domestic and family violence, Tribes need capacity for their case workers to focus their skills and expertise on the development of comprehensive response systems. The $3.0 million in additional funding provided in FY 2014 supports 26 case worker positions (6 BIA; 20 tribal) which will decrease the client to staff ratios at the tribal level. The increase in case workers will provide Tribes with new resources to focus on the quality of services being provided to women, children, and families. The increase will allow case workers to shift their primary focus from crisis mode intervention to services that strengthen the family through prevention and reunification. In addition, this shift will also allow workers to begin developing service strategies that address the impact of domestic and family violence on the breakup of families.

Bureau of Indian Affairs—School Construction

My colleagues on the Interior subcommittee and I have been noting the backlog within Bureau of Indian Education school construction with this Department for years. I have visited dilapidated BIE schools that are certainly not a conducive learning environment, but, more importantly, they pose significant safety, fire and health risks for students, teachers and administrators.

McCollum Q9: Why has the Department chosen again to ignore the urgent need for replacement school construction funds within this budget? Why was funding not requested to finish out all the remaining schools on the 2004 list?

Answer: There are three schools remaining on the 2004 Replacement School Construction Priority List: Beatrice Rafferty in Maine, and the Little Singer Community and Cove Day schools, both in Arizona. The 2015 budget includes $3.2 million for site development at Beatrice Rafferty. Planning is concluding for the three schools remaining on the list and design funding was provided for Beatrice Rafferty in 2014. In addition, Indian Affairs has six major education projects in the construction phase which include academic and dormitory facilities. These six projects are funded through the Facilities Improvement and Repair program under the Education Construction activity.

While not all school facilities are in "good" condition, all schools provide students, teachers, and administrators with a school environment that is safe. The Indian Affairs IA construction program supports the education goals of providing an environment conducive to quality educational achievement and improved opportunities for Indian students.

Since 2000, BIA has spent over $2.4 billion, including $300 million in American Recovery and Reinvestment Act funding, on school construction, improvement, and repair. In that time, BIA has completed or has under construction 42 school replacements and 62 major renovations.

McCollum Q10: What plans have BIA/BIE developed to issue a new BIA Education Facilities Replacement Construction Priority List? Please include details on the anticipated timeline with benchmarks, the consultation with tribal nations, the proposed methodology, and the factors that will be used to determine which schools are priorities for replacement.

Answer: In response to a No Child Left Behind Act requirement, Indian affairs convened a Negotiated Rulemaking Committee, consistent with 25 U.S.C. 2018(b), to develop and recommend a New School Replacement and Renovation priority ranking formula. The NRC committee was comprised of 22 tribal and four federal representatives. Participants included tribal members whose children attend Bureau-funded schools and to the extent possible, reflected the proportionate share of students from Tribes served by the Bureau-funded school system according to geographical location, size, and type of school and facility, and who represented the interests of parents, teachers, administrators, and school board members as well. The Federal participants included representatives of the Bureau of Indian Education, BIA Office of Facilities Construction and Management, BIA Office of Regulatory Affairs and Collaborative Action, and the DOI Office of the Solicitor – Division of Indian Affairs.

In 2010, the NRC held seven multi-day meetings, during which they visited five Bureau-funded schools and received public comments from 12 tribal and school officials. The Committee also conducted five regional consultation sessions around the country, which were attended by more than 200 participants, and 16 Tribes, schools, or tribal organizations submitted written comments. The Committee reviewed extensive data from federal agencies and also submitted two data calls to Bureau-funded schools. The School Facilities and Construction NRC Final Report transmitted to Congress on December 13, 2012 includes recommendations for both a process and a formula for generating a prioritized list of schools.

Based on the recommendations developed by the NRC, schools are eligible to be ranked for replacement or renovation if the school has an overall ranking of "poor" and/or are both 50 years old or older and educating 75 percent or more of students in portables as identified in the BIA facilities database. Eligibility is also based on criteria such as crowding, declining or constrained enrollment associated with facilities in "poor" condition, inappropriate education space, accreditation risk, and cultural space need, data which would be provided by the schools.

After the conclusion of validation of the inventory and deferred maintenance needs for all 182 campuses serving 183 schools, anticipated to be completed by end of FY 2014, and additional data is provided by the schools, a list of schools eligible to apply for the new School Replacement and Renovation Program is scheduled to be established by December 2014.

A timeline for initiating the application and prioritization processes to establish a new prioritized list of schools for replacement or renovation has not been determined at this time. Schools which are ranked as eligible must make an application for replacement or renovation to be included in the prioritization process. Once the application process is complete, regional project evaluation committees will be formed and public meetings will be held to provide input into the prioritization of projects. During the development of the new ranking, schools will continue to receive Operations and Maintenance funding as well as minor improvement and repair funding, based on established criteria.

THURSDAY, MARCH 27, 2014.

ENVIRONMENTAL PROTECTION AGENCY

WITNESS

GINA McCARTHY, ADMINISTRATOR, U.S. ENVIRONMENTAL PROTECTION AGENCY

OPENING REMARKS OF CHAIRMAN CALVERT

Mr. CALVERT. Good morning. The Committee will come to order.

Thank you for rearranging your schedule today for this hearing. We are having some votes today a little earlier than usual because of get-away day. So I appreciate your working with us today.

Again, good morning. Welcome to the fiscal year 2015 budget hearing for the Environmental Protection Agency. Today we are joined by Administrator Gina McCarthy and acting chief financial officer, Maryann Froehlich, to discuss the President's proposal for EPA's fiscal year 2015 budget.

Ms. McCarthy, I believe this is your first formal budget hearing before the Subcommittee. Thank you for being here today, I know our members on both sides are interested in what your budget proposes and look forward to discussing some of your ongoing work.

Overall, EPA's fiscal year 2015 budget proposes a level of $7.89 billion, which is $310 million or 3.8 percent below the enacted level. At this level, the EPA's budget would be reduced for the fifth consecutive year following an historic increase in fiscal year 2010. I see this proposed reduction as a good first step for this year's budget cycle as it brings the agency's budget in line with more historic funding levels. It also brings the agency's budget in line with the levels under sequestration, but does so in a way that avoids employee furloughs and some of the other consequences associated with indiscriminate, across-the-board cuts. I prefer to make targeted and strategic decisions about how we spend our money as we reign in the deficit.

With that said, I appreciate that—the EPA appears to be identifying strategic efficiencies in its workforce as the agency's payroll costs have been on an unsustainable path. This has been a priority for this Subcommittee since 2011. I am glad to see that we are aligned in this mission. I appreciate that EPA's fiscal year 2015 proposes funding for a workforce of 15,000 employees, reflecting a 2000 FTE reduction compared to 2011, and a level not seen since the late 1980s. Previous budgets often proposed payroll levels well above the agency's on-board personnel leaving us to wonder how EPA would actually use those funds.

As we move forward, I have concerns about the state of the Nation's aging water infrastructure, particularly as it relates to the California drought. Last year, our subcommittee held a hearing to discuss alternate ways of financing our water infrastructure needs.

So there are some options out there to help compliment the clean water and drinking water state revolving funds. It is important from both the security and from an economic standpoint that we have a protective and efficient water infrastructure system. We often tend to discount the value of clean drinking water whenever we need it. That is, until it is not there.

I understand that the budget is full of tough choices, but one proposal I will let you know is unacceptable, at least to me, is the proposed elimination of the diesel emissions grants, otherwise known as DERA, which support the retrofit of older diesel engines. This is one of the few EPA programs that has been reauthorized in recent years, which is a testament to the bipartisan support for the program. The DERA program is important, diesel engines power over 95 percent of commercial trucks. According to EPA's own estimates, every one dollar spent on DERA upgrades has resulted in $13 worth of health and environmental benefits. I don't understand why the Administration would propose to eliminate this program with such a high return on investment, particularly when it aligns with a concept of realizing environmental benefits while creating jobs.

The budget also eliminates funding for the rural water technical assistance grants, for national water research grants and for State radon grants, while more than 21,000 people per year die from radon-related lung cancer. It seems to me that the Administration is cutting successful bipartisan programs knowing that Congress will restore the funding. In doing so, this allows the Administration to propose other new programs that we just don't have the funding to pay for in a constrained budget environment. These are the wrong priorities to cut. These are successful programs that achieve results without the heavy hand of top-down regulations.

Meanwhile, the budget proposes increased funding for the Administration's overzealous regulatory enforcement agenda. The Administration's go-it-alone approach is not one that lends itself to building partnerships or developing sensible policies that lead to economic growth. Unfortunately, EPA continues to serve as a primary conduit to carry out that agenda.

When the President issues a directive stating that EPA must propose a rule to regulate greenhouse gases from existing power plants, by June 1st of 2014, then it is clear that the White House does not care what the rule says or about the impacts to American jobs. When the White House directs you to veto a mining permit before a company has even had an opportunity to apply, then it is clear that this Administration is not serious about creating jobs.

And the latest example was revealed on Tuesday when EPA proposed the greatest expansion of Federal control over land and water resources in the 42-year history of the Clean Water Act. Now, every small business and farmer, could be subject to EPA fines if they disturb a puddle on their land. Meanwhile, EPA has previously stated that science would support Tuesday's rule. Yet, the associated scientific study on connectivity of streams and wetlands to downstream waters, has yet to clear the scientific peer-review boards. So it is clear that the Administration prefers to go it alone, without consideration for what the cost of rules, impact on jobs, and without care for what the scientific community has to say.

Let me be clear. This Subcommittee will continue to take whatever actions are necessary to inject some common sense into EPA's rulemaking process and provide certainty to farmers and small business, so that they won't have to look over their shoulder fearing the EPA. So while some of the overall trends point to the right direction, the devil is in the details.

Administrator McCarthy, I look forward to working with you on those details. I also look forward to keeping the lines of communication open.

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

I am pleased now to yield to my distinguished Ranking Member and friend, Mr. Moran.

OPENING REMARKS OF MR. MORAN

Mr. MORAN. Thank you, Mr. Chairman, my friend. We may have a couple of points of disagreement on this bill. But we will remain friends.

Welcome, Administrator McCarthy, this being your first hearing in front of this Subcommittee, where we want you to know that we greatly respect your dedication to public service and that of your staff, particularly taking on this role, which is about as difficult a role as any in the entire administration.

But, you have a long record of protecting the public's health and the environment, which is presumed to be a nonpartisan objective, and you also worked for then Governor Mitt Romney. So I would trust that this would be a nonpartisan, noncontentious hearing.

I understand you did come from the air regulatory side of the EPA. But, I would suspect that we are going to spend a considerable amount of time on EPA's water regulations since a new rule was issued just this past Tuesday, that will govern the Federal jurisdiction of water.

This rule has been a long time coming, and I do support it. I appreciate the fact that you have taken the initiative to do what has needed to be done for a very long time.

I also want to congratulate you for listening to my colleagues on the other side of the aisle and actually issuing a proposed rule instead of just a guidance. We often heard complaints that a guidance would skirt an open process afforded by rulemaking. We heard those on the floor of the House just yesterday. So hopefully that complaint is now off the table.

I am sure I don't have to remind you that EPA has done more than its share of deficit reduction. Its budget has been reduced from $10 billion in 2010 to $8.2 billion in fiscal year 2014. It is disturbing that EPA would be the first in line for additional spending reductions and that your request would be $7.9 billion this year, with all of the environmental challenges that we have.

I share the Chairman's concern about the deterioration of our aged water infrastructure, and so I wonder if we shouldn't have OMB up here in front of this Subcommittee, so that we could better understand the rationale of the Administration in beginning to gut State Revolving Funds and to propose further staffing reductions

to 1,500 full-time equivalents, 200 less than you will have on board this year.

I do appreciate your request to add over $35 million for Federal and State air quality management. But we have seen what has happened to those requests in the past. The reductions you put forward are mostly accepted, and the increases are denied. So, I appreciate your fiscally responsible request, but I question the ramifications that it will have for the environment. Invariably, year after year, when you propose cutting something, that is accepted; when you propose increasing something, it is rejected.

But your mission remains as important as ever. While we debate over climate change in Congress, I think we should bear in mind Ronald Reagan and his leadership in getting the Montreal protocol done with other world leaders. President Reagan had a conservative, clear, and a successful record on deregulation. But he was spurred to action by the discovery of the hole in the ozone, and while the Montreal Protocol was meant to save the ozone layer, there are new reports now that the treaty may have been integral in slowing global warming, since some of the same chemicals caused both the hole in the ozone and global warming.

So, again, we have a good example of the kind of leadership that has come to the fore when necessary, facing the facts of environmental degradation. The World Health Organization concluded that in 2012, around 7 million people died as a result of air pollution exposure. We have made improvements since the Clean Air Act amendments of the 1990s, but there is so much more to do to reduce emissions of particulate matter and mercury.

Now, I tried, as my friend Mr. Simpson is well aware, to establish kind of a tradition of quoting Republican presidents, like Abraham Lincoln and Teddy Roosevelt and Richard Nixon, on the need to protect the environment.

But it hasn't done a whit of good.

Mr. SIMPSON. What do you mean?

Mr. MORAN. Looks at the bills. You listen, but you don't—you know.

Anyway, so really doesn't seem to have produced much in the way of dividends. So I'm going to suspend this practice, even though I have a great quote from Rachel Carson. You really want the quote from——

Mr. CALVERT. Silent Spring.

Mr. MORAN. What's that Mr. Chairman?

Mr. CALVERT. Silent Spring.

Mr. MORAN. Yes. The Chairman clearly has read Rachel Carson. But she said that, "We now stand where two roads diverge. But unlike the roads in Robert Frost's familiar poem, they are not equally fair. The road we have been long traveling is deceptively easy, a smooth superhighway on which we progress with great speed, but at its end lies disaster. The other fork in the road, the one less traveled by, offers our last, our only chance to reach a destination that assures the preservation of the Earth."

The point being, this is going to be tough, these regulations are going to be tough. I know you have gotten an enormous amount of pushback in your travels around the country. But the road less traveled is the one that we need to choose.

So, I thank you for your service and look forward to hearing your testimony and to working with you.

Thank you, Administrator.

Thank you Mr. Chairman.

Mr. CALVERT. Thank you. It is going to get difficult to improve that road under these new regulations.

We are also joined today by our Chairman in Full Committee, Appropriations Chairman, Chairman Rogers. I thank him for taking time to contribute to this important conversation.

Chairman Rogers, would you like to make an opening statement?

OPENING REMARKS OF CHAIRMAN ROGERS

Mr. ROGERS. We are moving quite quickly along on the hearings this year. We have begun earlier than we ever have, to my knowledge. Because we had our budget number from the budget deal, and we didn't have to wait on the Budget Committee or anyone else. So, we are proceeding forthwith. I want to do 12 bills this year, and so does my counterpart in the House and the Senate. So these hearings are proceeding earlier than ever and earlier than usual, certainly.

So we have proven, I think, that we can get the job done if they give us the equipment to do it with. When they gave us the common number with the Senate out of the Ryan-Murray budget deal, we were able to construct this committee, able to construct with the Senate that omnibus bill in 30 days, including the two major holidays. So we can do the job and we are proving that we can, and that is where we are now.

Madam Chairman, unfortunately, I find myself at odds with your agency ever since I have been here, and certainly ever since you have been here. And that has not changed today.

For years, it seems the EPA has worked hard to devise new regulations that are designed to eliminate coal mining, coal burning, usage of coal, period. And that means jobs where I live. Especially in my district.

There has been a relentless attack by you and your predecessor on jobs in the coal industry. Now, these are jobs that are critical to the local communities where these workers live. They are the only jobs there. I have had 8,000 of my miners laid off in the last few months. They went from a good-paying job of $80,000 to trying to find a job at McDonald's to support a family.

And I don't find anyone in your agency concerned about the well-being of these Americans. I just don't see it. I see a relentless, ongoing, continuous attack, not just from the EPA, but from MSHA and all of the other agencies that have anything to do with coal mining. It is sad. It is tragic. It also makes me mad. And so don't look for any friendship out of this seat.

Now, having said that, the Nation needs this inexpensive electricity, that comes from burning coal. You are going to have to have it. There is not enough wind nor sun nor nuclear or natural gas or anything else that can produce the power that is already in place by burning coal. So whether you like it or not, and I know you don't, whether you like it or not, you are going to have to use coal to keep your lights on.

And so the uncertainty driven by the bureaucratic overreach that the courts have severely cautioned you on now several times. This overreach that we see coming on, beats all the others by 10 lengths. You are going to push businesses overseas. We are going to have job losses not just in the coal business, because inexpensive electricity is one of the biggest attractions America has for creating factories and jobs, and your policies are going to drive up the cost of electricity beyond belief.

We almost had a burnout about a month ago. With the extreme cold and the extreme weather that we were having especially in the Northeast. The industry all but crashed by that much. And you are going to see that again, except more frequently, and you are going to pay a heavy price out there in the country when your policies have caused the problems that we are going to see. But I don't see anybody in your agency that has even thought about that or at least thinks about it or cares about it.

I was disappointed on Monday to read that the Supreme Court decided not to hear a case in which the EPA was retroactively denying permits that the Corps of Engineers had already approved years before, and EPA goes back and undoes something that years before had been approved.

All that does is continue the cycle of uncertainty that the industry feels, never knowing if another government bureaucrat is going to walk out of the woods to shut down a mine operation simply because he or she doesn't like coal. This comes on top of new proposals to shut down coal-fired power plants by creating standards that the EPA knows are impossible to meet with commercially available technology.

This shows how serious the President is about one campaign promise of 2008, to bankrupt anyone who intends to build new coal-fired power plants. That was blatant. So we know where the policy came from. That attitude underlies nearly all of the EPA's actions.

Thanks to this Administration, mining permits are almost impossible to achieve. New rules have made it almost impossible to mine coal. Court decisions are summarily disregarded and productive mines sit idle and miners are trying to find a way to support their family, and there are no jobs there.

It is time for bureaucrats to lay aside their personal animus toward this staple of the American economy, and allow for "all of the above" energy policies which the President has only paid mere lip service to. That should include coal, and it is time for the Senate to step up and pass those bills to protect coal mining and energy jobs that the House has already that sent to them.

I am also dismayed at this week's news that despite years of concerns expressed by this committee and others, the EPA and the Corps of Engineers are working to create new rules that will place strict new standards on thousands of miles of so-called streams in this country, even though they haven't had water in them for decades. These are streams which flow seasonally or after heavy rains, sometimes never. But by creating this new definition, the administration is again striking at Kentucky and others' economy and workforce.

Every hollow and valley in my region has some sort of a stream running through it, sometimes dry or intermittent or what have you, will be under your jurisdiction. It is the biggest land grab in the history of the world. No economic activity, no road construction, no coal mining. Nothing will occur on those lands without the say-so of a bureaucrat in Washington, D.C.

Another layer of red tape will be added to the Gordian knot, that already has a stranglehold on our people since this Administration declared a war on coal. This land grab with this proposed new rule is unbelievable. There are tens of thousands, if not hundreds of thousands of creeks and streams and dry beds and the like that would be subject to your oversight where no one could do anything on those lands without getting your approval.

That ain't going to happen, Madam Administrator. And right here is where a good part of the fight is going to take place in this Subcommittee.

Thank you, Mr. Chairman.

Mr. CALVERT. Thank you, Mr. Chairman. And we are also joined today by Mrs. Lowey, who is here with us as the Ranking Member of the Full Committee.

Mrs. Lowey, do you have an opening statement?

OPENING REMARKS OF MRS. LOWEY

Mrs. LOWEY. Thank you, Mr. Chairman.

Chairman Rogers, Ranking Member Moran, welcome Administrator McCarthy. It is a pleasure to welcome you to the first budget hearing before the Appropriations Committee.

To be blunt, the fiscal year 2015 budget requests for the Environmental Protection Agency of $7.89 billion is unacceptable at $310 million below current levels. Last year, I voiced concern that Americans don't see the importance of the EPA's work in their everyday lives. Despite existing environmental programs, the EPA's successes in improving the environment with the passage of the Clean Air Act amendments of 1990 and the laws in 1980s establishing the Superfund program addressed some of the most egregious threats to our well-being.

My colleagues, my friends, although we may have disagreements, who forcefully attack the EPA in my judgment, clearly don't value your purpose. It seems like almost every week the House votes on a bill to roll back EPA's ability to protect the environment, with Democrats overwhelmingly opposing these bills and Republicans overwhelmingly supporting them.

Instead of making a full-throated defense of the EPA, this budget request seems to indicate that EPA doesn't fully value the importance of its own work in the everyday lives of Americans. I am particularly concerned about the $580.8 million proposed cuts to the State Revolving Loan Fund, which supports drinking water and waste water infrastructure investments.

According to the American Society for Civil Engineers in New York, which has some of oldest infrastructure in the country, there is a 56.7 billion need over the next 20 years for drinking and waste water upgrades. In a 2011 drinking water infrastructure survey, EPA found that nationally 384.2 billion in drinking water upgrades are needed over the next 20 years. And in 2008, EPA reported that

approximately 300 billion is needed for waste water and storm water infrastructure. Since these surveys were completed, the price tag has likely grown while EPA investments have declined.

I am also disappointed by cuts to the Long Island Sound, Great Lakes, staffing levels at EPA, which strongly suggests a decrease in inspection and enforcement efforts by the agency, and an increase in self-regulation by industry. The recent chemical spill in West Virginia and coal ash release in North Carolina clearly demonstrate the potential dangers of self-regulation.

Madam Administrator, I look forward to hearing from you about the future of EPA, and I will do everything I can to ensure that you have adequate resources when the Committee writes its fiscal year 2015 bill.

Thank you.

Thank you, Mr. Chair.

Mr. CALVERT. I thank the gentlelady.

Thank you. And thank you again, Administrator McCarthy, for being here today to testify. Please share with us your EPA proposed budget for the fiscal year 2015. Thank you.

OPENING REMARKS OF ADMINISTRATOR MCCARTHY

Ms. MCCARTHY. Chairman Calvert, Chairman Rogers, Ranking Member Moran, it is great to be here.

And thank you, the Members of the Committee for having me here.

I have an opportunity today to talk about EPA's proposed 2015 budget, and as the Chairman indicated, I am joined by the agency's acting chief financial officer, Maryann Froehlich.

EPA's budget request is $7.89 billion for the 2015 fiscal year starting October 1, 2014. This budget meets the challenges of domestic spending constraints while still fulfilling our mission to protect public health and the environment. The fiscal year 2015 budget reflects EPA's plan to take advantage of new technologies, new regulatory, as well as nonregulatory approaches. And it recognizes that EPA is part of a larger network of environmental partners in our States, our Tribes, and communities. This budget will provide the support for a smaller workforce by focusing on real progress in priority areas. Those include communities, climate change and air quality, toxics and chemical safety, as well as clean water.

We are asking for $7.5 million and 64 staff in fiscal year 2015 to help provide green infrastructure, technical assistance for up to 100 communities to promote cost-effective approaches for water management.

In addition, the budget request continues our environmental justice efforts. We will do more to partner with States, Tribes, and local governments and other Federal agencies. Funding for State and Tribal Assistance Grants, or what we all STAG, is once again the largest percentage of EPA's budget.

Addressing the threat from climate change is one of the greatest challenges of this and future generations. The request designates $199.5 million specifically for this work. The agency has added $10 million and 24 FTE in fiscal year 2015 to support the President's Climate Action Plan, with $2 million designated for adaptation planning.

The agency will also focus resources on the development of common sense and achievable greenhouse gas standards for power plants, the single largest source of carbon pollution. When it comes to cutting greenhouse gas emissions, the President's budget provides support for the States to help them implement the Clean Air Act. The EPA budget requests almost $673 million to support work to improve chemical safety for all Americans and especially for our children.

We are requesting $23 million and 24 FTE in fiscal year 2015, to support activities under the President's executive order on chemical safety, as well as the agency's efforts on chemical prioritization, air toxics, radon and volatile organic compounds in drinking water.

The Nation's water resources are the lifeblood of our communities. We are requesting $1.775 billion for clean water and drinking water State Resolving Funds. The agency is also directing $8 million and 10 FTE to advance clean water infrastructure and sustainable design, like the municipal storm water sewer programs for technical support to communities.

E-Enterprise, is a major joint initiative between EPA and the States to modernize our business practices, to get into the 21st century, to look at new business practices that look towards the future. The benefits of implementing E-Enterprise can be seen in just one E-Enterprise initiative, the E-Manifest system, which includes annual savings estimated at $75 million for over 160,000 waste handlers.

In fiscal year 2015, the agency is requesting over $1.33 billion to continue to apply effective approaches for cleanups under RCRA, Superfund, linking underground storage tank and other programs. This strategy will ensure land is returned to beneficial use. $1.16 billion is requested for Superfund, which includes a $43.4 million increase for remedial work, and an increase of $9.2 million for emergency response and removal.

The fiscal year 2015 budget includes a total of $1.13 billion in categorical grants. Within that total is over $96 million for tribal general assistance programs, and $18 million increase for pollution control, a $16 million increase for environmental information grants, and a $15 million increase for State and local air quality management.

Science is a foundation of our work at EPA, and science is supported by the President's request of $537.3 million.

And, lastly, across the Administration, we recognize the importance of the 2-year budget agreement Congress reached in December. But the resulting funding levels are insufficient to expand opportunities to all Americans that really drive the growth of our economy in the way that we all know is necessary. For that reason, across the Federal government the budget also includes a separate, fully paid $56 billion initiative. And within that initiative is a Climate Resilience Fund, which includes $10 million for protecting and enhancing coastal wetlands, and $5 million to support urban forest enhancement and protection.

Chairman Calvert, I thank you for the opportunity to testify and to take your questions.

Mr. CALVERT. I thank the Administrator.

[The information follows:]

TESTIMONY OF
GINA McCARTHY

ADMINISTRATOR
U.S. ENVIRONMENTAL PROTECTION AGENCY

BEFORE THE HOUSE INTERIOR, ENVIRONMENT, AND RELATED AGENCIES SUBCOMMITTEE OF THE HOUSE COMMITTEE ON APPROPRIATIONS

THURSDAY, MARCH 27, 2014

Chairman Calvert, Ranking Member Moran, and members of the Committee, thank you for the opportunity to appear before you to discuss the Environmental Protection Agency's proposed FY 2015 budget. I'm joined by the Agency's Acting Chief Financial Officer, Maryann Froehlich.

EPA's budget request of $7.890 billion for the 2015 fiscal year starting October 1, 2014 reflects our ongoing efforts to meet the challenges facing the agency today and into the future. Despite these challenges, we remain dedicated to protecting public health and the environment, and we know we must target staff and resources and find new ways to fulfill our mission. We will focus those resources in a way that will allow EPA to be more effective and efficient.

The FY 2015 budget reflects a strategic approach to our budget planning process, looking toward the future rather than continuing to simply react to tough budget choices with cuts across the Agency. The FY 2015 budget request does this in the following ways:

- It reflects EPA's incorporation of new technologies and new regulatory and non-regulatory approaches that can help us maintain our efficiency and effectiveness.
- It strengthens EPA's partnership with public health and environmental protection partners in states, tribes and local communities with a focus on aligning our resources, avoiding duplication, and identifying and closing any gaps in the broader environmental enterprise system.
- It invests our funds and leverages funds of our partners where it makes the most sense and gets the biggest bang for the buck.

Following the framework of priorities laid out in the FY 2014 - 2018 Strategic Plan and working within our budget, we are committed to ensuring the staff we have in program areas and regions make the most sense and will have the most impact.

EPA has already taken steps toward proactive management of our operating budget. Through the VERA/VSIP process, we have begun to accelerate attrition within EPA both at headquarters and the regions toward a ceiling of 15,000 nonrefundable FTE's.

Our FY 2015 budget relies on a reduced workforce focused on programs, policies, and regulations that matter most to public health and the environment. This is not simply about cutting the workforce to save costs. We are reshaping the workforce and our work to meet current and future challenges. Doing this includes making key investments.

It makes long-term fiscal sense to invest the cost savings achieved -- through a smaller workforce and improved use of technology -- to work smarter and more effectively. This approach will keep EPA strong, focused on science and the law, and transparent in addressing environmental challenges and the results we have achieved.

This budget will provide the support we need to move forward by targeting real progress in priority areas: communities, climate change and air quality, toxics and chemical safety, and clean water.

Building on current work on the ground in our communities, we are asking for $7.5 million and 64 staff in FY 2015 to work toward efforts that will make a difference in people's everyday lives and in their communities. Those efforts include providing green infrastructure technical assistance for up to 100 communities that will promote cost-effective approaches to water management.

This budget request furthers our environmental justice efforts. The protections provided by our national environmental laws must be accessible to everyone. We will do more to partner with states, tribes, and local governments and other federal agencies to better coordinate and leverage resources supporting community efforts.

Addressing the threat from a changing climate is one of the greatest challenges of this and future generations. The request for climate change and air quality is $1.03 billion—over $41 million more than fiscal year 2014. And it designates $199.5 million specifically for climate change work.

Building on existing efforts and base budget resources, the Agency has added $10 million and dedicates 24 FTE's in FY 2015 to support the President's climate action plan. $2 million is designated for technical assistance for adaptation planning for water utilities at greatest risk from storm surges. Research and development efforts will focus on support tools for at-risk communities and tribes in preparing for the impacts of climate change.

The Agency will focus resources on the development of common sense and achievable greenhouse gas standards for power plants—the single largest source of carbon pollution. The President's budget provides support for the states to help them meet their obligations under Section 111 of the Clean Air Act with regard to cutting carbon emissions.

This request also supports the President's interagency methane strategy and the President's recently announced directive to EPA to develop phase 2 fuel efficiency and greenhouse gas standards for heavy-duty vehicles. EPA also will be implementing a range of activities in support of the President's call to cut energy waste in homes, businesses, and factories.

Chemicals and toxic substances are prevalent in our everyday lives. The EPA budget requests almost $673 million to support work to reduce the risk and increase the safety of chemicals and prevent pollution for all Americans and especially children.

We are requesting $23 million and 24 FTE in FY 2015 to support activities under the President's executive order on chemical safety, as well as Agency efforts on chemical prioritization, air toxics, radon, and volatile organic compounds in drinking water. $5 million in resources for air toxics work will enhance our capabilities to design effective regulations and continue developing the national air toxics assessment.

The nation's water resources are the lifeblood of our communities. The FY 2015 budget recognizes the long-term benefits of healthy aquatic systems for all aspects of our daily lives.

The Agency is directing $8 million and 10 FTE to advance clean water. Resources are also proposed for the municipal separate storm sewer systems program for technical support to communities that must develop effective stormwater permits for the first time.

We are requesting $1.775 billion for the clean water and drinking water state revolving funds. Although this is a more than a $580 million decrease over FY 2014 levels, federal capitalization of the SRFs totals over $22 billion since FY 2009, if you include the FY 2015 request. The FY 2015 budget seeks to ensure that federal dollars provided through the fund lead to the design, construction, and support of sustainable water infrastructure.

The EPA is looking toward future ways to better serve the American people by employing technology where it can be used more effectively. E-Enterprise is a major joint initiative between EPA and states to modernize our business practices and to increase responsiveness. This effort holds the promise of increased effectiveness and savings for businesses as well as government. The agency is expanding efforts in the second year of the multi-year E-Enterprise business model including focusing people and resources to accelerate development of the E-Manifest system and associated rule-making work. For example, the benefits of implementing the E-Manifest system include annual savings estimated at $75 million for over 160,000 waste handlers. Transitioning from a paper-based system saves time and effort for every person who used to handle that paper.

In addition, EPA is making changes to long-standing business practices such as contracts, grants management, and the regulation development process. One important area of emphasis is improving freedom of information act (FOIA) and records management.

In FY 2015, the Agency is requesting over $1.33 billion to continue to apply the most effective response approaches for cleanups under RCRA, Superfund, Leaking Underground Storage Tank, and other authorities. This strategy will help ensure land is returned to beneficial use in the most effective way. $1.16 billion is requested for Superfund which includes a $43.4 million increase for remedial work and an increase of $9.2 million for emergency response and removal.

In this budget, we hold firm our priority support for state and tribal partners, the primary implementers and front line of environmental programs. Funding for state and tribal assistance

grants – or STAG – is once again the largest percentage of the EPA's budget request and prioritizes funding for state categorical grants.

The FY 2015 budget includes a total of $1.13 billion in categorical grants – a net $76 million increase over FY 2014.

- Within that total is over $96 million for tribal general assistance program grants – a $31 million increase over FY 2014.
- We also included an $18 million increase for pollution control (Section 106),
- There is a $16 million increase for environmental information grants.
- There is a $15 million increase for state and local air quality management in our request.

Science is the foundation of our work at the EPA. And science is supported by the President's request of $537.3 million. In FY 2015, the EPA is focusing research on the most critical issues facing the Agency.

These include efforts to: advance chemical prioritization and predictive toxicology, help communities make sustainable decisions regarding environmental protection and resilience, and inform regional and community level strategies for the use of green infrastructure and other innovative alternative practices.

The EPA continues to focus on reducing its physical footprint and achieving greater energy efficiency. Since 2006, the EPA has released approximately 428 thousand square feet of space nationwide, resulting in a cumulative annual rent avoidance of over $14.6 million.

The EPA continues to eliminate programs that have served their purpose, accomplished their mission, or are duplicative. The FY 2015 budget eliminates a number of such programs totaling nearly $56 million. These include beaches protection categorical grants, state indoor radon grants, and diesel emissions reductions assistance grants.

Recognizing the importance of the two-year budget agreement congress reached in December, which the President's budget adheres to, levels are not sufficient to expand opportunity to all Americans or to drive the growth our economy needs.

For that reason, across the federal government, the budget also includes a separate, fully paid for $56 billion opportunity, growth, and security initiative. This initiative—split evenly between defense and non-defense funding—shows how additional discretionary investments in FY 2015 can spur economic progress, promote opportunity, and strengthen national security.

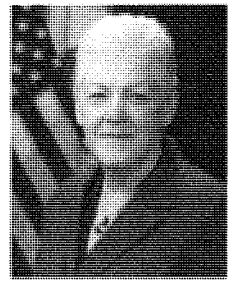
- Within the initiative is $1 billion for a climate resilience fund, through which the budget will invest in research and unlock data to better understand and prepare for impacts of a changing climate. These investments will also fund breakthrough technologies and resilient infrastructure.

- Within the climate resilience fund, EPA will support a nation better prepared for the impacts of climate change—with $10 million for protecting and enhancing coastal wetlands, and $5 million to support urban forest enhancement and protection.

We have made some very difficult choices in this budget. But we need to look realistically at challenges we face in the future and make sure we have the best tools and people in the right places to make the most difference. Our final FY 2015 budget reflects a balanced approach to accomplishing this.

Thank you for the opportunity to touch upon some of the highlights of EPA's FY 2015 budget request in my testimony today. I look forward to answering your questions.

Administrator Gina McCarthy



Gina McCarthy is the Administrator of the U.S. Environmental Protection Agency.

Appointed by President Obama in 2009 as Assistant Administrator for EPA's Office of Air and Radiation, Gina McCarthy has been a leading advocate for common-sense strategies to protect public health and the environment.

Previously, McCarthy served as the Commissioner of the Connecticut Department of Environmental Protection. During her career, which spans over 30 years, she has worked at both the state and local levels on critical environmental issues and helped coordinate policies on economic growth, energy, transportation and the environment.

McCarthy received a Bachelor of Arts in Social Anthropology from the University of Massachusetts at Boston and a joint Master of Science in Environmental Health Engineering and Planning and Policy from Tufts University.

When she is not in D.C., McCarthy lives in the Greater Boston area with her husband and two dogs, just a short bike ride away from their three children, Daniel, Maggie and Julie.

CLEAN WATER ACT

Mr. CALVERT. Before I recognize the full Committee Chairman, I want to make a point, Administrator McCarthy. It is one thing to share two different perspectives on a policy, it is another thing to, I believe, mislead the public. I believe the talking points drafted by your agency describe Tuesday's navigable water announcement, are patently false. I couldn't disagree with your statement that, quote, "The proposed rule will not add to or expand the scope of waters historically protected under the Clean Water Act," end quote.

This proposal is the greatest expansion on Federal control over land and water resources in the 42-year history of the Clean Water Act. The amount of acreage subject to EPA's jurisdiction will expand exponentially as more waterways are subject to permitting. It is the biggest bureaucratic power grab that I have seen and should make every land owner fearful that the EPA will be knocking on the door with an enforcement action.

The amount of uncertainty and lack of prepared cost estimates that come with this ruling are alarming. EPA claims that the rule provides more certainty, but sounds like the certainty comes in the form of more mandatory permits and more jurisdictional waterways.

And with that, I recognize the Chairman.

WATERS OF THE UNITED STATES

Mr. ROGERS. Thank you, Mr. Chairman.

And thank you for that sentiment expressed in your statement, which is exactly correct. This is the biggest land grab in the history of any governmental agency in the history of mankind, really.

And the Supreme Court has—the courts have stricken down several EPA overreaches. And this one I think is ripe for the picking, and I think the courts will say, as we say, you have completely overreached beyond your legal authority given to you by the Congress. And we will see about that as time passes.

Just yesterday, the EPA and the Corps announced they are working together on this new regulation system for what is called Waters of the United States. Which would greatly expand—as the Chairman says—exponentially, the miles of waterway that you would have jurisdiction over, including thousands of miles of streams that are considered intermittent, seasonal, rain-dependent. In essence, you are saying that you would have authority over streams on private property even when there are not streams. That is proof in and of itself of the mal-intent of this administration toward the private sector.

The economic impact of that could be profound, would be profound. A community needing to build on private land that had on it one of these so-called streams that you considered a waterway under the new rule, would have to travel thousands, hundreds of miles to D.C. to get your approval. You and the Corps. It would absolutely freeze economic activity in this country. No more stores or shopping centers or any kind of improvement of a property would be subject to your approval. Even when some of these streams, so-called streams, had not seen water in a thousand years.

When the courts and the Congress have said "navigable streams," what does that mean? It means a place you can navigate, which means traveling in water. But when there is no water, how can it be navigable? And where it has not seen water in a thousand years, how can you call that a stream? I think the courts are going to scream that your definition of "stream" is way overboard.

How much time would it take for an entity to go through the individual permitting process in this kind of a situation?

Ms. MCCARTHY. Is that a question for me, sir?

NAVIGABLE STREAMS: PERMITTING PROCESS

Mr. ROGERS. How long would it take a community to go through the individual permitting process?

Ms. MCCARTHY. This rule actually doesn't impact the permit process itself, and, in fact, we think it provides certainty to decrease the amount of time when you are in question as to whether you need a permit and to decrease the amount of time you need to get through the permit process.

Mr. ROGERS. But you are talking about almost permitting almost the whole doggone country.

Ms. MCCARTHY. No, sir. We are not expanding the kinds of water that we have traditionally and historically been regulating.

Mr. ROGERS. Well, in my district alone, there are literally thousands of these so-called streams that you would now assert jurisdiction over.

How is it that a private property owner would know whether or not they needed your approval?

Ms. MCCARTHY. Well, sir, that is exactly the question that this proposed rule is attempting to answer based on science and the law.

Mr. ROGERS. If a private property owner takes some measure on his or her own land to mitigate flooding from a seasonal stream, or repair a bridge that their driveway is across, would they now have to apply for a permit under this so-called rule?

Ms. MCCARTHY. Well, actually, one of the things we are doing with this proposal, and one of the reasons why we made the switch from a guidance to a proposal, is to try to better define the waters that are non-jurisdictional and to be much clearer about what is jurisdictional. There are seasonal streams where the science is telling us that they are very important to maintain the integrity of navigable waters, which is what the Supreme Court in unanimity told us in 1985 was the purpose of our act, and that we had to clarify that for implementation purposes.

So all we are doing with this, sir, is trying to clarify that. It is again a proposal. We did the best we could. We have expanded the exemptions that we have defined have been much clearer about the science on how we can protect navigable waters, which is the purpose of the Clean Water Act.

Mr. ROGERS. Now, you say that you are following science?

Ms. MCCARTHY. Yes.

Mr. ROGERS. That you are being ruled by the science?

Ms. MCCARTHY. Yes.

Mr. ROGERS. And that determines where you are going with the rule?

Ms. MCCARTHY. Yes.

CLEAN WATER ACT: SCIENTIFIC ASSESSMENT

Mr. ROGERS. Well, if the science is so air tight on this rule, why is it that the scientific assessment that you used to back it up is only in draft form?

Ms. MCCARTHY. The Science Advisory Board has been asked to do a peer review of a consolidation of a number of peer-reviewed articles for the certainty of the general public, and that will be finalized before this rule is final. So that we can take their final input into consideration.

But we know that every piece of science that we are looking at underpinning this has already been appropriately peer reviewed. But we felt for certainty purposes to support this rule, to let everyone that you know that we are following the science the best we could, that we should consolidate it and ask our Science Advisory Board to look at that consolidated process in a transparent, open, public comment process.

Mr. ROGERS. Well, your so-called scientific assessment that you rely upon——

Ms. MCCARTHY. Yes.

Mr. ROGERS [continuing]. Is not even in final form. I mean, it still could be changed. And yet you are proposing the rule and the 90-day hearing before you even give us the final science paper upon which you base your proposed rule.

Wouldn't it stand to reason on such a wide-ranging regulation as this is, that is revolutionary, would it not be the thing to do to have the scientific basis settled in final form so all of us can see it and know about it and study it and analyze it before you propose the rule?

Ms. MCCARTHY. As I have said before, Mr. Chairman, the rule will—the connectivity report will be finalized, and we will consider that before the rule is final.

But the reason we are doing this is because we think and we know there is tremendous uncertainty. There is money being expended that doesn't need to be expended. There is concern in the agriculture community that we haven't properly identified agricultural practices that were and remain exempt under this law.

So the sooner we can provide the clarity, the sooner we think that the Clean Water Act will work effectively and we will be able to have certainty in the regulated community and we will all be able to move forward knowing we are doing what the law requires us to do but in the most cost-effective and sensitive way that we can.

Mr. ROGERS. I would have thought you would have wanted to wait on the settled science before you moved ahead putting everything sort of in jeopardy because no one knows how that scientific assessment may finally turn out.

Ms. MCCARTHY. We will take that into consideration, sir. But it is a belt-and-suspender approach. We know that we are basing this proposal on what we believe to be the best science available, and it has all been properly peer reviewed.

But, again, it is a starting point.

Mr. ROGERS. Well it shouldn't——

Ms. MCCARTHY. What I would encourage you to do is just take a look at how hard we tried to define what is in and what is out and to propose alternatives to think about how we could do this better together.

Mr. ROGERS. Wouldn't it be smart, to entrust the science of this to an agency like the——

Mr. CALVERT. National Academy.

Mr. ROGERS [continuing]. National Academy of Science, whose objective would be trusted, I think, by everyone? Would it not have been smart to get the Academy of Science approval of this, or at least analysis, before you propose a rule and start the 90-day public comment period?

Ms. MCCARTHY. Well, Mr. Chairman, this is a 42-year-old law, where its jurisdiction is up in the air. That does not mean that we don't have a wealth of science that already can be used to underpin and provide clarity for the implementation of this 42-year-old law.

We have been approached by every sector of the economy—that may be a slight exaggeration, maybe not all, but many who have been struggling with trying to get the permits they need to keep the economy moving and do the work that is so precious to you.

Mr. ROGERS. We have heard from the same——

Ms. MCCARTHY. We want to provide clarity.

CLEAN WATER ACT: MAPS OF NEW STREAMS

Mr. ROGERS. We have heard from the same people, and they are in an uproar around the country at this proposal. We are going to hear a lot more from people who are directly affected by this, and negatively affected.

Let me ask you, somebody is going to have to do a map of where these so-called streams that you are asserting jurisdiction over are; right?

Ms. MCCARTHY. We actually have some mapping in the docket associated with this rule that people can access at this point. One of the reasons why we wanted to do a rulemaking is it provides us an opportunity to hear from people. I do think people have concerns. And I want to hear about that.

Mr. ROGERS. Where are the maps that you have?

Ms. MCCARTHY. You can access them through an EPA web page, which is www.EPA——

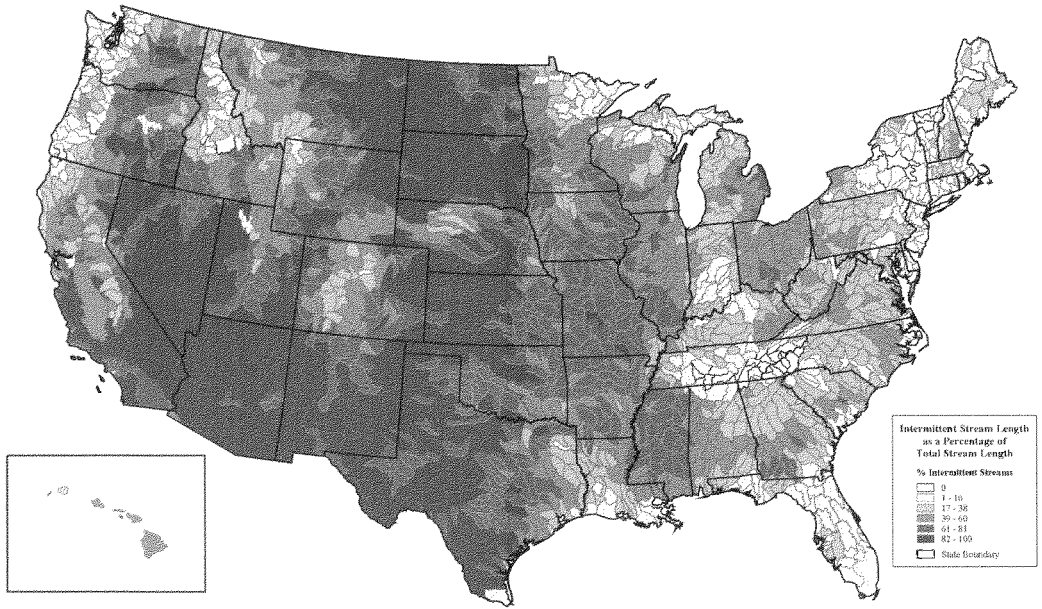
Mr. ROGERS. I'm not going to ask anybody. I want you to deliver it to us.

Ms. MCCARTHY. Oh, sure. I'm sorry. I am happy to do that.

[The information follows:]

The following map is on the EPA's website (May 2014). It depicts the percentage of streams on a watershed basis that are intermittent or ephemeral and was not mentioned in the WOUS proposed rule preamble.

Percentage of Intermittent Stream Length by Watershed



Legend: This map shows the percentage of intermittent and ephemeral streams, relative to total stream length, within each watershed. This analysis highlights the regional pattern of intermittent and ephemeral stream occurrences in the United States, excluding Alaska, where NHD data are not available. In the 49 states there are 5,484,159 total kilometers of linear streams, of which 59% (3,212,641 km) are intermittent and ephemeral. Based on data from the National Hydrography Dataset at medium resolution. The value ranges in the key were devised to reveal underlying groupings and patterns in the data displayed on the map. One mile is equal to 1.61 kilometers.

Source Data:

- NHD from Reach Address Database (RAD) v2.0 at 1:100,000 scale using 8 digit HUC watersheds.
- Intermittent and ephemeral streams grouped together.

Caveat:

- NHD data generally does not capture streams under one mile in length.

COSTS OF MAPPING OUT NEW STREAMS

Mr. ROGERS. Now what is going to be the costs of mapping out where these new streams are? There are tens of thousands of them that would be covered by your rule. How are we going to pay for and who is going to do the mapping and what is it going to cost?

Ms. MCCARTHY. Well, the challenge that we have had, sir, is that there has been no mapping before, there has been no certainty. So we are identifying the rivers, streams, tributaries, and other water bodies that science tells us are really necessary to protect the chemical, physical, and biological integrity of our navigable waters. We have taken an opportunity to map those. We are certain we will get comment on them.

But the point we are trying to make is there are other waters where there is uncertainty. The more we can make certainty, make certainty into this process, the better off we will be able to send the right signals to the business community and to our agricultural community.

Mr. ROGERS. What is it going to cost?

Ms. MCCARTHY. There is a cost analysis that is in the rule. It looks at both direct and indirect costs. But, frankly, the costs of the uncertainty at this point I believe is much larger than the cost of bringing certainty to this issue——

Mr. ROGERS. What is the cost of mapping the program? Cost.

Ms. MCCARTHY. I can look that up for you, sir. But the—the indirect benefits are larger than the direct——

Mr. ROGERS. What is the cost of doing the mapping that would implement this rule?

Ms. MCCARTHY. I am not aware that we need to expend costs on mapping at this point, sir.

Mr. ROGERS. Who is going to do the mapping?

Ms. MCCARTHY. EPA has already provided some maps that we can comment on, and we will look at those and see what people think about those and whether or not——

Mr. ROGERS. You are extending jurisdiction here by tens of thousands of so-called streams in all 50 States, which is a huge undertaking, and you are saying it is not going to cost anything extra to do that.

Ms. MCCARTHY. Sir, we do not believe that we are expanding the reach of the jurisdiction of the Clean Water Act beyond its historic waters.

Mr. ROGERS. If your agency personnel you say are the ones who will do the mapping, and that you won't need any additional personnel or money, what have these people been doing before now? Because this is going to be a huge undertaking.

Ms. MCCARTHY. No, sir. We are trying to provide a definition for what is a water of the U.S. so that we can protect our navigable waters. We believe that definition will provide clarity that you will understand what waters are in or out better than ever before. We have looked at expanding the exemptions so we can provide more certainty to the agricultural community. That is what this proposed law—regulation is all about.

[The information follows:]

WOUS Maps (Rogers and Calvert)

1. **Mapping of WUS**: In response to your questions regarding mapping and the agency's proposed rule to clarify protection under the Clean Water Act for streams and wetlands, and the downstream waters they affect, enclosed is a copy of the map I described that is included in the proposed rule. This map illustrates potential options with respect to "other waters" as discussed in Section III.H.iv. of the preamble to the proposed rule. We included this map in order to solicit public comment on potential alternate options regarding the jurisdictional status of "other waters" as included in the proposed rule.

I understand that your question may have focused on whether the EPA and the U.S. Army Corps of Engineers have developed (or are developing) a comprehensive national map that identifies waters that are and are not jurisdictional under the Clean Water Act. Consistent with the more than 40-year practice under the Clean Water Act, the agencies make decisions regarding the jurisdictional status of particular waters almost exclusively in response to a request from a potential permit applicant or landowner asking the agencies to make such a determination. Developing a comprehensive national map would be infeasible, would require significant resource investment, and would require unprecedented and potentially intrusive actions to ascertain which waters are (and are not) jurisdictional.

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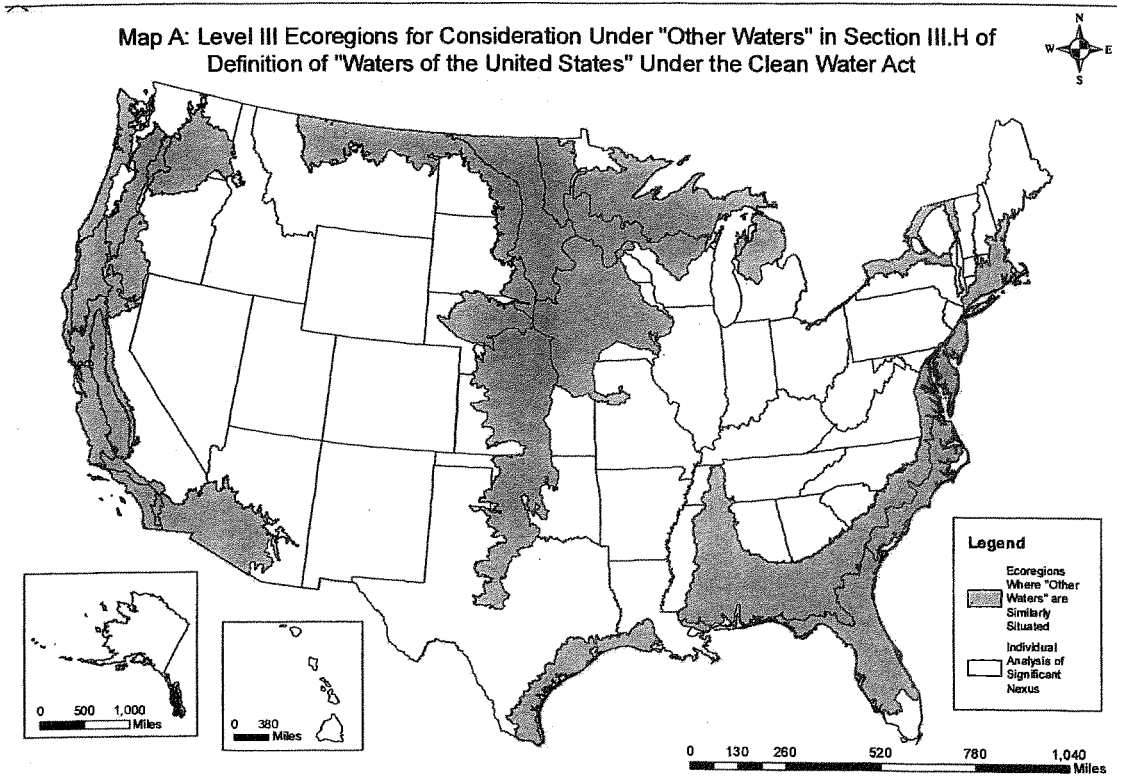
2. **Cost of Mapping WUS**: See response to Question 1 above.

Map A: Level III Ecoregions for Consideration Under "Other Waters" in Section III.H of Definition of "Waters of the United States" Under the Clean Water Act



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CLEAN WATER ACT: VIOLATION OF RULE

Mr. ROGERS. Now, suppose a community defies the agency, maybe unknowingly, and violates the rule? What is the penalty? What would that community pay in the way of a penalty, or a person?

Ms. MCCARTHY. That process will not change, as it is currently, which is we work with people beforehand, we try to understand what the challenges are and we mitigate it.

The opportunity we have here is to make sure that people understand what their obligations are without the complexity that is in the system now. We think this will allow people to comply more readily, to understand what their obligation is, and to avoid the confusion and confrontation that we have been seeing.

Mr. ROGERS. What is the penalty if somebody violates the rule?

Ms. MCCARTHY. It would be the same prior to——

Mr. ROGERS. Which is what?

Ms. MCCARTHY. I can't specifically say. It all depends on the interaction with the individual that is in question. How we can work together. There are many where no penalty is assessed and there are others where there are large penalties assessed.

Mr. ROGERS. Well, it is——

Ms. MCCARTHY. It all depends on the case, sir, and the willingness of the parties to work together. EPA certainly wants to resolve these issues.

Mr. ROGERS. This is pretty simple. It is a simple question. A community violates the rule, crosses over a so-called stream that you have jurisdiction over. Maybe they don't know that it is ruled by you. Nevertheless, they have violated the rule. What do they pay?

Ms. MCCARTHY. It all depends on the circumstance, sir. We certainly——

Mr. ROGERS. Oh, give me a break. Surely you can—that is a pretty simple question. Pretty simple case.

Ms. MCCARTHY. We don't like to assess a formula. We like to understand the circumstance and work with the individuals. That is how we do our business.

Mr. ROGERS. Well, you are doing your business pretty well. You are grinding to a halt the economic engine of this country. No wonder we are having trouble getting the economy going again. It is sluggish, terribly sluggish for years now. And I think a major part of it is the regulations and the fear of this agency that you head, that is depressing the business climate in this country, and this rule that you are proposing would magnify that by a hundred.

So mark me down as undecided.

Ms. MCCARTHY. Thank you, sir.

Mr. CALVERT. Thank you, Mr. Chairman.

I recognize the Ranking Member for any questions she may have.

MONTREAL PROTOCOL

Mrs. LOWEY. Thank you, Mr. Chair.

One of the most significant opportunities to address climate change in the near term is the phaseout of HCFCs, which are harmful to the ozone, 1,800 times worse than carbon dioxide as a

greenhouse gas. The EPA recently issued a proposed rule setting virgin HCFC production levels for 2015 to 2019, the final years of the phase out. I am frankly disappointed the EPA was not more aggressive.

Given the significant existing stockpiles of virgin HCFC, the unmet capacity of the reclamation industry, and the widespread availability of alternative refrigerants, why is EPA proposing an additional 90 million pounds of virgin production over the next 5 years? The environmental community, key industry stakeholders, including the major producers, have urged the EPA to be more aggressive.

Will you take another look at the proposal and consider a more aggressive phaseout?

Ms. McCarthy. Congressman, thank you for raising the question. I agree with you that it is extremely important.

The U.S. is on track of meeting the phaseout goals in the Montreal Protocol. We certainly know and have done that before. We can do better all the time. We did put a proposal out in December, and the comment period just closed. So we are really concerned and I am concerned about not making a judgment prior to taking a look at those comments and moving forward with the final.

But we share your concern, and we want to make sure that we are as aggressive as can be while recognizing that some of these chemicals need to be in continued use because of already existing residential air conditioners that rely on these. We want to make sure that the economy, particularly of our homes isn't be impacted unnecessarily by a phaseout like this.

Mrs. Lowey. So you are still looking at it?

Ms. McCarthy. We are, yes.

Mrs. Lowey. One of the EPA's goals is to create a supply gap to grow the reclamation industry.

Ms. McCarthy. Yes.

Mrs. Lowey. Yet that gap has never been created. Every year, EPA allocations have exceeded demand, leading to a substantial stockpile. As I understand it, this rule is our last chance to get this right. So I do hope you are going to review it very carefully and take another look.

Ms. McCarthy. I will do that.

LONG ISLAND SOUND

Mrs. Lowey. One other question. The EPA's fiscal year 2015 request decreases funding for the Long Island Sound by 1.047 million, or roughly 25 percent cut from the fiscal year 2014 enacted level. More than 10 percent of our Nation's population lives in the Long Island Sound watershed, and the Sound contributes an estimated 8.9 billion per year to the regional economy from commercial and recreational fishing, ecotourism, and other water-dependent businesses.

Congress has also recognized its importance with two authorizations that support up to $65 million in annual investment. And according to EPA's Long Island Sound Study, the sound is an excellent steward of taxpayer dollars, leveraging every one dollar of EPA investment into $70 in other Federal, State, local, and private partner funding.

Why does the Administration continue to propose budgets that underfund the watershed that 1 out of 10 Americans call home?

Ms. MCCARTHY. Well, Congresswoman, you probably know that Long Island Sound is one of my favorite water bodies, having worked in Connecticut for 5 years, and with the Long Island study. It is an amazing group. I agree with you, they do great work with the money.

The proposal in the President's budget this year is the same level as we proposed in 2014. But I do recognize that Congress did add or direct another million dollars to that fund. I certainly respect their decision. All things being equal about the budget constraints we are facing, I agree with you, the a wonderful investment, but we had to make some tough choices. And hopefully we are sending a signal about the importance of Long Island Sound with the funding level that we have proposed.

Mrs. LOWEY. Well, thank you very much. And I know we will work together to make sure that we continue that important work.

Ms. MCCARTHY. We will.

Mrs. LOWEY. And, it is so essential, and the Long Island Sound Study has made some very important investments with important results. Thank you very much.

Ms. MCCARTHY. Thanks for the support.

EPHEMERAL

Mr. CALVERT. Thank the gentlelady.

Administrator McCarthy, I was listening to your testimony and some of the questions that the Chairman was asking about certainty. And just from listening to that conversation, it seems to me that the only certainty that comes from this is in the form of more mandatory permits for the jurisdictional waterways that will be administered through this new rule.

Already home builders are saying that the backlogs will increase by thousands and thousands of homes. Farmers are fearful. We are hearing from farm groups throughout the United States about uncertainties regarding agricultural exemptions. They say the proposed rule is not as farm friendly, as the statements that have been made by your Administration.

And further, the issue that was brought up about the study not being finalized is going to obviously bring up more questions as this process of peer review goes forward. I chaired the Environment Subcommittee many years ago on the authorization side, so I know how this works.

And by starting the clock before the science has been completed, is a way to jump start this process before the questions, the right questions should be asked.

So I am very concerned about why we are moving in this direction so quickly without the science being completely done at this point.

I have some questions from your perspective. How would you define "ephemeral"? What do you mean by "ephemeral"? What do you believe the definition of ephemeral is?

Ms. MCCARTHY. Well, if you are relating to the types of decisions that science is pointing to in the connectivity report, it is talking

about streams and tributaries that may only run seasonally on certain——

NAVIGABLE WATERS

Mr. CALVERT. So these are non-blue line streams as per the Corps maps as they are outlined, or USGS maps as they are prepared today.

Ms. MCCARTHY. I am sorry, I am not that familiar with the extent of USGS mapping. So I am not trying to avoid your question.

Mr. CALVERT. Traditionally the 404 permitting process by the Corps has been defined down to what we would refer to as a blue line stream on a map.

Ms. MCCARTHY. Yes.

Mr. CALVERT. So this is going to expand that; isn't that correct?

Ms. MCCARTHY. For the most part I believe these are the types of waters that we actually have been considering as waters of the U.S. and jurisdictional.

Mr. CALVERT. Then you wouldn't need to have a new rule if, in fact, it wasn't going to be expanded.

Ms. MCCARTHY. Well, it is to provide clarity, sir. I mean, we want people to know what rivers and streams, whether they run full time or part time, are important to protect navigable waters. That is what this is all about.

Mr. CALVERT. So whether they run full time or part time will be under the jurisdiction of the EPA?

Ms. MCCARTHY. No. Well, it has always been that many of the streams that have been under the jurisdiction of the waters of the U.S. have not run 24/7.

Mr. CALVERT. So States who have had dry stream beds, the Chairman pointed out that sometimes for years or months that have not been considered under the jurisdiction of the Environmental Protection Agency, nor the Corps of Engineers, will now be under that jurisdiction; isn't that correct?

Ms. MCCARTHY. No, I don't believe that is true.

Mr. CALVERT. Isn't that what the rule said? I read it very carefully.

Ms. MCCARTHY. No. The rule indicated that we are providing clarity on what is under the jurisdiction. And if I could, we are following exactly what the Supreme Court told us from 1985 all the way to a few years ago when it got very confusing. They told us it is not just about navigable waters; it is about all of those water bodies that significantly impact or that can significantly impact the integrity of those navigable waters.

Mr. CALVERT. I read Justice Kennedy's decision——

Ms. MCCARTHY. Yes.

Mr. CALVERT [continuing]. Which wasn't exactly very clarifying in my mind. But nevertheless, I don't think you made it any clearer in this rule. What is intermittent? How do you define intermittent?

Ms. MCCARTHY. It doesn't run 24/7.

Mr. CALVERT. It doesn't run 24/7. So how do you define 24/7? I mean, is it 24 hours? Is it a month? Is it a year?

Ms. MCCARTHY. No. It relates to a significant nexus. What the Supreme Court, not just what Justice Kennedy said, but the Su-

preme Court said that it is about waters that have a significant nexus to navigable waters. That is what we are trying to get at.

Mr. CALVERT. Let me ask you a yes-or-no question. If a stream bed has been dry for a year, was that under your jurisdiction?

Ms. MCCARTHY. I can't answer that question yes or no.

Mr. CALVERT. It doesn't create any certainty.

Ms. MCCARTHY. Actually the waters of the U.S. go into great lengths about talking about providing certainty when talking about the science.

Mr. CALVERT. That defines as navigable waters this dry stream bed?

Ms. MCCARTHY. Of course it wouldn't, no. But this is not just about navigable waters. In 1985, the entire Supreme Court was unanimous in telling us that it wasn't just navigable.

Mr. CALVERT. So you believe that that is a significant Federal nexus, this dry stream bed is a significant Federal nexus?

Ms. MCCARTHY. No. What determines a significant connection is having a hydrological connection and having a potential to significantly impact the integrity of the navigable waters below.

Mr. CALVERT. So that would be any——

Ms. MCCARTHY. No, not at all.

Mr. CALVERT [continuing]. Any potential waterway, any dry——

Ms. MCCARTHY. Not at all.

Mr. CALVERT. I wonder if some of our environmental friends in the audience would believe that to be the case, going to court to redefine what the true meaning of Federal nexus, or navigable waters, or tributaries, or ephemeral. This expanded jurisdiction, from my perspective, and I think from the perspective of many people in this country, the proposed rule is not going to create certainty.

But with that, I will be happy to recognize the Ranking Member of the Committee.

Ms. MCCARTHY. Mr. Calvert, can I just say, you know, that 170 million people rely on their drinking water supplies from streams that don't run full time. So we have to recognize that there is a level of judgment that needs to be made. What we are trying to do is use the science to help make that judgment.

Mr. CALVERT. I suspect EPA is going to make that judgment.

Mr. Chairman, or Mr. Ranking Member Moran.

TOXIC WASTE DUMPING

Mr. MORAN. Thank you very much, Mr. Chairman.

I do want to get onto the record the other side here, because there is a substantial body of opinion, judgment and industry that feels this is the right thing, right and necessary thing, to do. And, in fact, some feel it doesn't go far enough. The environmental community wanted a specific expansion of water jurisdiction because about 60 percent of the miles that make up U.S. streams only flow seasonally or after rain. Now, the president of Trout Unlimited, Chris Wood, and I am quoting him, said, Today's proposal speaks to the heart of the Clean Water Act, making rivers more fishable and more swimmable. The waters affected by today's proposal provide vital spawning and rearing habitat for trout and salmon. Sim-

ply stated, the proposal will make fishing better, and anglers should support it.

Now the intermittent and ephemeral streams provide critical fish habitat, particularly out West. They account for 90 percent of Arizona's streams, 88 percent of New Mexico's. They provide the flow for the larger rivers and the rearing habitat for young fish and insects, and they help to determine, they really do determine, the quality of downstream habitat for fish. So this new proposal also exempts farmers who are undertaking any, even 1, of the 53 approved conservation measures from having to seek a Federal discharge or fill permit.

Now, Whit Fosburgh, who is the president of the nonprofit Theodore Roosevelt Conservation Partnership, he was quoted saying headwater streams—that is where all the fish come from—all of them spawn in headwater streams triggered by snow melt and other runoff. We will hear a lot about the economic impact of this clean water rule, but hunting and fishing is a $2 billion-a-year enterprise. It generates more than $125 million in State and Federal taxes. And he is in favor of this rule. He applauded the EPA and the Corps of Engineers, and he says—and this is what we are hearing from others—we actually wanted to make it even stronger.

So now let me get to the question here, Madam Administrator, because in listening to the debate, you keep saying that the jurisdiction of waters covered under Federal jurisdiction has not changed. So then we have to ask, what is the point of proposing a new rule?

Now, to the Full Committee Chairman's example of penalties, can you describe if the penalties for a company that we have shown, proven has dumped toxic waste into rivers, say, for example, through mountaintop mining removal, if they dump toxic waste into rivers, could they have to pay the same penalty under current guidance as they would under this proposed rule? What would be the difference?

Ms. McCarthy. There is no change.

Mr. Moran. No change.

Ms. McCarthy. No.

Mr. Moran. So will this proposed rule require EPA to go out and take action against a company who is dumping toxic waste into the water without a permit? Because most of them have not gotten permits that we find, and yet we find an awful lot of toxic waste as a result of this mining practice. Is it going to require you to go out and take action against them if they did not have a permit for dumping into water, or if they dumped in excess of the permit they hold?

Ms. McCarthy. It adds no new requirements; however, we are hoping that with this information, they will be able to understand their obligation and avoid those circumstances.

Mr. Moran. So it is a clarification really. It is not a change in your regulatory authority, and they would still—could be held liable, but this is telling them in advance what they would be responsible for.

Well, it seems like that is what the realtors had been requesting in the beginning. We were getting letters saying, we need clarification of this. Now, I understand they are not particularly happy

about this, and that they will be providing input into the rulemaking process, but that, from what I understand, is your intent in issuing these regulations to achieve clarity.

Ms. MCCARTHY. Our intent is to listen to the comments from everyone who feels that this could be improved between proposal and final. That is our goal.

ATRAZINE

Mr. MORAN. Thank you, Madam Administrator.

Just so that we understand, there are other issues, too, in this bill. I would like to raise another issue. I wasn't even going to get into the clean water, but I thought it appropriate given the fact that that seems to have been our emphasis.

I want to ask you about at atrazine.

Ms. MCCARTHY. Yes.

Mr. MORAN. There has been an evaluation of atrazine. There was a formal study in 2003. There has been about 150 published studies now with regard to human health, and it is pretty well-documented that it is a severe threat to human health in drinking water and other bodies of water.

Intersex or hermaphroditism we know is a condition where living species, specifically male fish, have developed ovaries, and female fish have developed male organs. They are being found in alarmingly higher numbers in lakes and rivers across the United States, and apparently the phenomenon isn't related to fish. Just last month I read an article in the New Yorker on the chemical atrazine. You read it, too; I am glad you did. It is a widely used pesticide for corn and sorghum and sugar cane. This research of Tyrone Hayes found that the condition of hermaphroditism was induced in frogs by exposure to atrazine at levels that were 30 times below what EPA allows in water. He found that the frogs born male turned into infertile female frogs after exposure to atrazine.

Then there was substantial industry pressure, and in 2003, EPA allowed the continued use of atrazine at the same time that the European Commission chose to remove it from the market. So we have had these documented studies. The EU removed it from the market, and we chose to continue the use of it.

Now it is more than 10 years later, and EPA has still not followed suit to remove the pesticide from the market, even though the maker of the pesticide agreed to pay $105 million to reimburse more than 1,000 water systems for the cost of filtering atrazine from drinking water because of their concern over liability as a result of proven atrazine-induced illnesses and birth defects.

So I want to know from you, what does EPA know that the European Union does not know; or the reverse, what information are they using for action and we are not?

Ms. MCCARTHY. Well, Congressman, I am glad you raised this issue because I read the same article, and I sort of knocked on people's doors myself.

Our Office of Chemical Safety and Pollution Prevention has spent several years peer-reviewing the science related to atrazine, both the human health and the ecological, as you have mentioned. Next year we are going to have a preliminary risk assessment that we are going to make public. We expect in 2016, we will make

some final decisions on the basis of that. So we are taking a comprehensive review of the science, and we are hopefully going to be moving in an expedited way to answer the questions that you have raised.

Mr. MORAN. Good for you.

Well, I have got a host of other questions, but we have got a lot of Members, here so I thank you, Mr. Chairman.

Mr. CALVERT. Thank the gentleman.

By the way, just before I recognize Mr. Simpson, I just want to interject that you are going to submit a map that shows the expansion of your jurisdiction for the record.

Ms. MCCARTHY. I will submit the maps that were provided on the docket, sir. Sure.

[The information follows:]

WOUS Maps (Rogers and Calvert)

1. **Mapping of WUS**: In response to your questions regarding mapping and the agency's proposed rule to clarify protection under the Clean Water Act for streams and wetlands, and the downstream waters they affect, enclosed is a copy of the map I described that is included in the proposed rule. This map illustrates potential options with respect to "other waters" as discussed in Section III.H.iv. of the preamble to the proposed rule. We included this map in order to solicit public comment on potential alternate options regarding the jurisdictional status of "other waters" as included in the proposed rule.

I understand that your question may have focused on whether the EPA and the U.S. Army Corps of Engineers have developed (or are developing) a comprehensive national map that identifies waters that are and are not jurisdictional under the Clean Water Act. Consistent with the more than 40-year practice under the Clean Water Act, the agencies make decisions regarding the jurisdictional status of particular waters almost exclusively in response to a request from a potential permit applicant or landowner asking the agencies to make such a determination. Developing a comprehensive national map would be infeasible, would require significant resource investment, and would require unprecedented and potentially intrusive actions to ascertain which waters are (and are not) jurisdictional.

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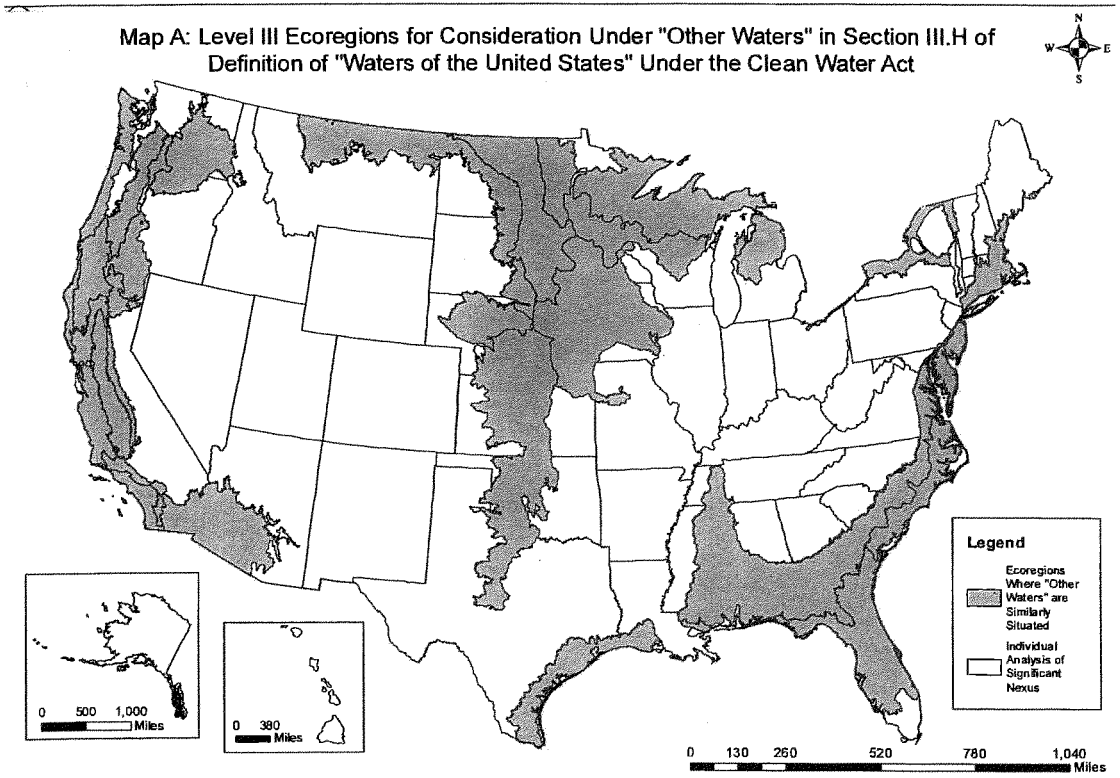

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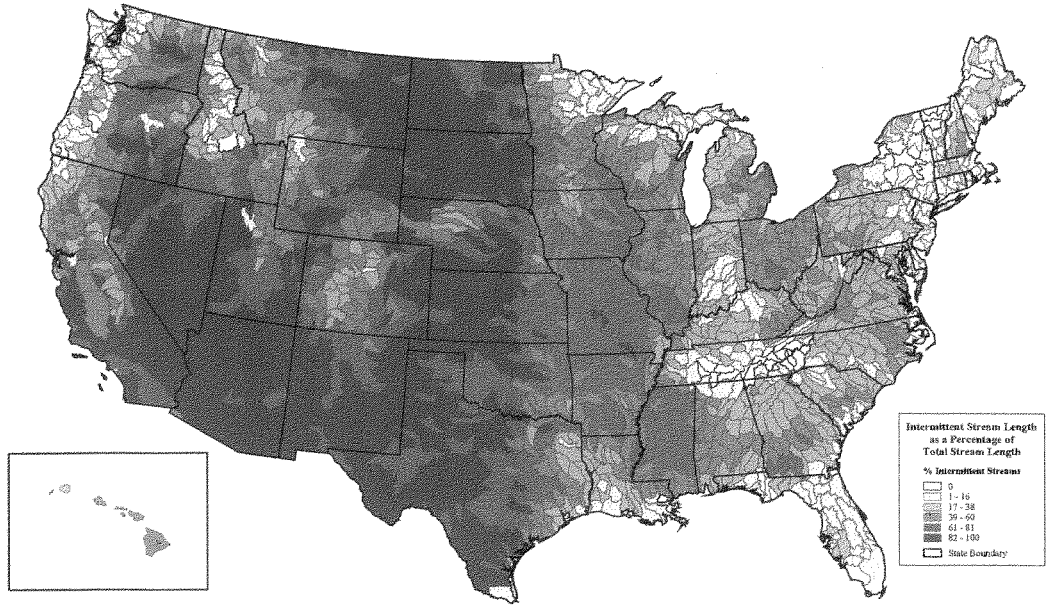
The following map is on the EPA's website (May 2014). It depicts the percentage of streams on a watershed basis that are intermittent or ephemeral and was not mentioned in the WOUS proposed rule preamble.

Percentage of Intermittent Stream Length by Watershed



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- Intermittent and ephemeral streams grouped together.

Caveat:

- NHD data generally does not capture streams under one mile in length.

Mr. CALVERT. Mr. Simpson.

Mr. SIMPSON. Thank you, Mr. Chairman.

And, Administrator McCarthy, thanks for being here today.

First let me say, and I haven't said this publicly, I guess, thank you for the work you did with small refineries and the problem that they had when you were Administrator of the air program. We brought them all together and talked with the Small Business Administration and so forth, and you went back to work and solved the problem. We certainly appreciate it.

Ms. MCCARTHY. Thank you.

Mr. SIMPSON. As much criticism as the EPA takes from me and everyone else, you have got good people working out in the Pacific Northwest. We don't always agree on everything, but they work with us in trying to solve problems. Dennis McLerran is doing a great job at Region 10, and we enjoy working with him.

Ms. MCCARTHY. Thank you.

CLEAN WATER ACT—PROPOSED RULE

Mr. SIMPSON. Having said that, I know you talk about certainty and wanting to create certainty with the change in the rules, the nav water rules, and I understand that Mr. Moran likes the rules and stuff. I got to tell you in all honesty, if you want to regulate every drop of water that falls on the State of Virginia, I don't care. If you want to have a permit when Mr. Moran flushes his toilet, I don't care. But I can tell you you just fired the first shot across the bow in the West, because we see this as a war.

Water is obviously vitally important in Idaho. And we know that we are trying to create certainty, but I will tell you what. I think you have created more uncertainty than certainty. "Connectivity" is about as loose a term as "navigable." And I know the courts have said a variety of things. One of them is in the SWANCC and the Rapanos decisions, the Court said that the Corps and the EPA have gone too far, and that Federal jurisdiction under the Clean Water Act is not as broad as has been claimed. To be consistent with those Supreme Court decisions, then, any new rule would necessarily have to leave to the States State regulation of some waters previously regulated by the Federal Government.

Are there any federally regulated waters now that will not be regulated by the Federal Government that will be regulated by the States under this new rule?

Ms. MCCARTHY. I am sorry. I didn't follow the question. You had too many——

Mr. SIMPSON. Supreme Court said that the Army Corps and the EPA had gone too far in interpretation of the Clean Water Act.

Ms. MCCARTHY. That is right.

Mr. SIMPSON. So it would necessarily follow that if that were the case, there would be some waters that you had regulated before.

Ms. MCCARTHY. Yes.

Mr. SIMPSON. And I have to remind everyone that just because the EPA or the Army Corps doesn't regulate something under the Clean Water Act doesn't mean it is not regulated. States regulate it.

Ms. MCCARTHY. Right.

Mr. SIMPSON. So you would think under that decision that under this new rule there would be some waters that are currently regulated by the EPA that would then devolve to the state regulation if you had gone too far before?

Ms. MCCARTHY. That is correct.

Mr. SIMPSON. Are there any regulated waters that would devolve to the State regulation?

Ms. MCCARTHY. That actually happened right after that decision, sir. What they told us to do was that we couldn't just rely on ecological evidence of birds using an isolated wetland or water body; that we had to actually do the science to understand the significant nexus between a water and the impact on navigable waters below.

That is exactly what this does is it tries to identify those connections in the significant nexus exactly the way we said, and it leaves these isolated wetlands for case-by-case decisions that States will get involved in and others. But it exactly tries to do what the Supreme Court told us to do.

SCIENCE ADVISORY BOARD REVIEW

Mr. SIMPSON. Could you tell me why you decided to issue this rule? Now, it is probably not true that you did this 2 days before your testimony in order to take the attention off of everything else in the budget.

Ms. MCCARTHY. I don't think that is possible. If I could have, maybe.

Mr. SIMPSON. I was just kidding when I say that, because obviously a lot of this hearing is going to be on this.

But could you tell me why you issued this rule, or proposed rule, prior to getting the results of the Science Advisory Board? It tells me two things, or at least this is what comes to my mind and I am sure everyone out there's mind, is, one, you don't care what the Science Advisory Board says, or, two, you already know what they are going to say.

Ms. MCCARTHY. Well, we have moved forward because of the uncertainty that has hindered the implementation of the Clean Water Act and I think cost everybody a lot of money. But I want to just remind you, sir, is that the science underpinning this study is all peer reviewed, underpinning our proposed rule is all peer-reviewed science. What we did was to create another level of analysis to look at the consolidated peer-review science. We have already done that. We proposed it, and we will not finalize this until we get the final word and consider what the Science Advisory Board says.

Mr. SIMPSON. But you are going out for 90 days of public comment, and the public has not seen the results of this Science Advisory Board's review.

Ms. MCCARTHY. It is the same science that underpins this.

Mr. SIMPSON. So we don't really need to do that because you already know the results of what the Science Advisory Board is going to say.

Ms. MCCARTHY. It is a belt-and-suspender approach. The way I think that everybody would like us to do is you check and you doublecheck, and that is what this is about.

Mr. SIMPSON. But before you go out and ask for the public comment on it and expect the public to give legitimate comment, I

would expect that they would be able to look at the Science Advisory Board's review and say, yeah, they have done a good job here, or, this is nuts. But they won't have that.

Ms. MCCARTHY. They will actually be able to comment to the Science Advisory Board strictly on the science, and they will be able to comment on ours on both the science as well as our application of the science to the policy and regulatory decisions we need to make.

Mr. SIMPSON. Is that the 5 minutes?

Mr. CALVERT. Yes.

Mr. SIMPSON. Okay. We will have another round after votes?

Mr. CALVERT. Yes.

Ms. McCollum.

Ms. MCCARTHY. Should I pack a bag?

Mr. CALVERT. It is going to be a long day.

BUDGET AND STAFF CUTS

Ms. MCCOLLUM. Administrator McCarthy, let me thank you and your staff for the work that you are doing and for being here today and taking all these questions.

The primary Agency responsibility is for implementing our Nation's environmental laws. The EPA has a critical mission to improve our ability to protect our Nation's human health and the environment. You have been forced to make tough decisions in this budget request. I believe in large part because your Agency is under attack.

The EPA is already operating at dangerously underfunded levels and is significantly understaffed. The number of full-time employees is lower now than any time since the 1980s. This is putting the health and safety of Americans at risk. One example is the cuts to the clean and safe drinking water State revolving funds, which you have heard many of us comment on. It is clear that these budget and staffing cuts are harming the Agency's ability to fulfill its core mission of protecting our Nation's water.

One thing that has really come to the attention of many Americans is the New York Times recently reported the Nation's largest utility company, Duke Energy, had an uncontrolled spill of 39,000 tons of coal ash, which affected 70 miles of stream into the Dan River in North Carolina. And if that wasn't enough, Duke Energy knowingly pumped as much as 21 million gallons of coal ash water over several months into Cape Fear River. Now, for those who might not know what is in coal ash, it is highly radioactive. It includes arsenic, lead, mercury and other heavy metals which are very dangerous to human health, as well as many other environmental consequences from this ash being released.

Now, we have also just this year heard what happened to the residents in West Virginia, 300,000 residents, who had their water contaminated by a chemical spill, and to date they are still unable to drink tap water.

So America's Environmental Protection Agency needs to be able to clearly have what it needs to do its job and ensure that we enforce regulations and ensure that we have air that we can breathe and water we can drink.

America's clean water and clean air agency, as I can't stress enough, needs to have the resources it needs to do its job. So one question that I have is when should we be able to expect during this year your ruling, and how you are going to implement the issue of coal ash, and what other core functions are being threatened or delayed or, in fact, eliminated because of budget and staff cuts at the EPA? You can't just do it without the resources.

Ms. MCCARTHY. Well, I think the President's budget request is really respecting the bipartisan agreement that was reached, the Murray-Ryan agreement. We are doing our best to take advantage in this budget proposal of all the latest technologies and tools and monitoring equipment available so we can try to do our jobs effectively, recognizing that there are always going to be budget limitations.

In terms of the coal ash rule, or what we call the Coal Combustion Residual Rule. It is actually by agreement going to be finalized at the end of this year, in December. I know it is a rule that has been long awaited, but that rule isn't the answer to all of the challenges that we have been seeing. There are many ways in which we need to assess the kind of emergencies we are responding to.

One of the things I would like to point out in the budget is we are requesting a little bit of a bump-up in our emergency response funding and in our clean-up and remediation funds for exactly this reason. We are seeing some challenges, and we will be working with the States to try——

Ms. MCCOLLUM. Ms. McCarthy, then the U.S. taxpayers are cleaning up Duke Energy's mess, Duke Energy's pollution, and Duke Energy's threat to clean, safe drinking water.

Ms. MCCARTHY. Yes.

Ms. MCCOLLUM. When this rule comes out at the end of the year, they are still up to doing their own self-regulation. If this rule is challenged, will U.S. taxpayers continue to be on the hook for protecting——

Ms. MCCARTHY. We are not just relying on the rule, Congresswoman, and I am not suggesting I have all the answers here. But when the spill happened in the Tennessee Valley, if you remember that spill of coal that happened, the Agency did an assessment of all of the structural integrity of numbers of impoundments at these facilities. We worked with the States. We provided the information. We are not just relying on this rulemaking. In the case of Duke we have been working to support the North Carolina, the State, and the environmental agency. We are working with them to take a look at all of the Duke facilities in North Carolina because concerns have been expressed.

So every time we can, we are going to support the efforts of the States. We are going to be looking systemically at some of these problems when the resources are available to us. But you are not incorrect that nobody can do it all. But we are not just trying to respond to a spill, we are trying to understand what tools are available to us to prevent that from happening.

FLUOROCARBONS IN APPLIANCES

Ms. MCCOLLUM. Part of what Ranking Member Lowey was talking about was the inability to really get some of these appliances

out of the market which are causing great havoc in our air. When I was on the Government Reform Committee, we had a hearing in which we found out, quite surprisingly, that China was allowed to continue to import air conditioners that had fluorocarbons in them. Has that changed? Are you looking at that?

Ms. MCCARTHY. We have developed rulemaking that does not allow—and I can get back to you to make sure that I am as clear as I can on this. We are looking, and we do check, working with Customs, for the appliances that are coming in. I believe we have closed that loophole, but let me not say that with such definition. Let me get back to you. I understand the question that you have asked, I believe we have taken care of it, but I want to confirm.

[The information follows:]

Ms. MCCARTHY. EPA has used its Clean Air Act authority to ensure that the gains made in the phaseout of ozone depleting substances are not undercut by imports of products containing those substances. At present, there is a prohibition on both the domestic production and import of refrigeration and air conditioning appliances and components that contain chlorofluorocarbons or hydrochlorofluorocarbons.

In 2001 EPA used authority of section 610 of the Clean Air Act, Nonessential Products Containing Chlorofluorocarbons, to ban the import of refrigeration and air conditioning appliances made with or containing CFCs, effectively ending the import of CFC containing air conditioners and refrigerators. Since then, however, many of the products that once relied on CFCs have moved to other alternatives including HCFCs.

In 2010, as part of the phaseout of HCFCs, EPA banned the manufacture of new air conditioning and refrigeration appliances that contain virgin HCFCs. EPA issued a companion rule in 2010 that also banned the import of air conditioning and refrigeration appliances containing HCFCs, as well as import of components containing HCFCs. HCFCs production and import will be phased out by 2020. However, reclaimed HCFCs and existing HCFC inventory can continue to be used to service existing equipment beyond 2020.

Mr. MCCOLLUM. I would appreciate it, because I was quite shocked. When I worked in the private sector, and I watched how, refrigerators and freezers and car manufacturers and everybody in America got on board to do it, and to find out when I got here to Congress that there was a loophole for Chinese air conditioners was just unbelievable to me. I hope we closed that. Thank you.

Mr. CALVERT. Thank the gentlelady.

Ms. Herrera Beutler.

CARBON NEUTRALITY OF BIOMASS

Ms. HERRERA BEUTLER. Thank you, Mr. Chairman, Administrator McCarthy. I have a couple of questions with regard to the carbon neutrality of biomass. I am from Washington State. We have a lot of woody biomass, and despite a really hard hit in the last 20 years, southwest Washington still has a tremendous interdependence on our forests as you know. We have talked a lot about science, and I agree that science should really drive our forest policy, our critical habitat policy, our policy with regard to protecting the forests and the people and the families who depend on the forests. And studies have shown that if forest product manufacturing residuals are not used for energy, the alternative is they just lay there and die. They emit methane, which would release more greenhouse gases than using that felled tree or the woody biomass on the forest floor for energy production. Methane is 24 times more potent than CO_2.

I think a review of the science out there would show that the biomass manufacturing residuals are more carbon neutral than letting it just die. We should use that energy is my point, and it is beneficial.

I know there have been setbacks in the process, but what is the timing of the EPA's revised accounting framework for the Biogenic CO_2 emissions?

Ms. MCCARTHY. First of all, thank you for raising it. It's okay. It's biogenic.

The decision that you are asking us to make is one that we are pretty anxious to make because we know there is a lot of confusion. I have had recent meetings with NFPA and others. The companies that I have been meeting with, they are really terrific. They have provided us great information. We are also using the Science Advisory Board on this issue as well to try to identify how you would provide incentives for the continued use of biomass that is being done sustainably, and there is a great deal of it.

On the whole if you look at it, it is very good from a greenhouse gas perspective. The challenge is to put that into a framework that allows us to continue with the type of exemption we had before that the courts have now overturned, but to understand how we can look at biomass in the context not just of greenhouse gas permitting, but on the whole to encourage the kind of stainability we are seeing out there. We are moving forward to try to frame that up so that we can get something done.

Ms. HERRERA BEUTLER. Do you see any kind of timeline?

Ms. MCCARTHY. I am hoping that it will be done this year. It is a very difficult science challenge, but we are not in a different place in terms of how we perceive the challenge and the intended outcome.

Ms. HERRERA BEUTLER. There is going to be less foliage for catastrophic wild fires. There is a lot of opportunities there.

Ms. MCCARTHY. There is a lot of reasons why it is a very good thing.

Ms. HERRERA BEUTLER. And one last thing. Last year I asked your predecessor this question, and I need an answer.

Ms. MCCARTHY. Okay.

WESTERN WASHINGTON STORM WATER MANUAL

Ms. HERRERA BEUTLER. Washington State was given—actually not even the whole State. Western Washington was told by the state that we have to live under the Western Washington Storm Water Manual. They derived their power from the Clean Water Act. This ended up in one of my largest counties being told you can't wash your cars in your driveway. That particular example was during a contentious Governor's race; the Governor rescinded it.

As we got into it, the manual said that if you are going to develop something, you are going to build a road, your mitigation has to be equal to pre-Lewis and Clark water runoff. We have no idea how to do that, and it continues to be the bedrock foundation for the Western Washington Storm Water Manual. King County, Puget Sound, has exempted itself, but the rest of us have to develop to this standard. I asked your predecessor if he was aware of this

rule, where it came from, because they all point back to you. I actually believe it is the State that is doing——

Ms. McCarthy. Not me personally, right?

Ms. Herrera Beutler. The EPA. The state says it is because they derive this rule from the Clean Water Act. They say it is a Federal regulation, you have to do it. I come back and I say, well, I haven't found that here.

I would like clarification from your office to the committee specifically whether or not they have the authority to do that based on your interpretation of the Clean Water Act; or I just need to know is it the State choosing to do this, or are they accurate in saying you are giving the authority. And you don't have to answer that here because clearly you have no idea what I am talking about.

Ms. McCarthy. I apologize we haven't provided you a response. I will take care of it.

Ms. Herrera Beutler. I just need to know whose authority it is and I need your confirmation.

Washington Stormwater

Issue: *Rep. Herrera Beutler posed specific questions to Administrator McCarthy regarding the Washington Department of Ecology (Ecology) stormwater management requirements for Western Washington, indicating that their stormwater manual has a provision requiring stormwater to move as slowly as 'pre Lewis and Clark' days. When she asked the State the genesis of the provision, they said it was from EPA. Rep. Herrera Beutler asked if the state has the authority to require this based on EPA's interpretation of the Clean Water Act.*

EPA Response:

Section 402(p) of the Clean Water Act (CWA) requires regulated municipalities to reduce the discharge of pollutants to the maximum extent practicable and to meet other requirements to protect water quality. The EPA's National Pollutant Discharge Elimination System (NPDES) stormwater regulations include a requirement for regulated municipal separate storm sewer systems to address post-construction stormwater runoff from new development and redevelopment. These requirements further the goal of the CWA to "maintain the chemical, physical, and biological integrity of the Nation's waters."

Washington State is authorized to implement the NPDES program and has developed its programs and regulations consistent with the Clean Water Act and EPA's stormwater regulations. The flow control requirement in the manual is one component of the program intended to meet EPA's regulatory requirements to control post-construction stormwater runoff from new development and redevelopment projects discharged through municipal separate storm sewer systems.

The flow control requirement is an engineering design standard based on extensive scientific studies in Western Washington concerning impacts of urban stormwater discharges on the receiving waters in that portion of the state. Washington Department of Ecology's municipal stormwater NPDES permits have included the flow control requirement for stormwater discharges from regulated storm sewer systems in Western Washington cities and counties since August 2008 (in the larger population jurisdictions) and since February 2010 (in the smaller regulated jurisdictions). The flow control requirement can be met through a variety of available and feasible methods, such as stormwater retention ponds or on-site stormwater infiltration.

So with that, thank you, Mr. Chairman.

Mr. CALVERT. Ms. Pingree.

COMMERCIAL VESSEL BILGE AND WASHWATER DISCHARGES

Ms. PINGREE. Thank you very much, Mr. Chair.

Thank you for your presence here this morning and for the work that you do at the EPA. I know there are a lot of contentious issues here today, and I appreciate your steadfast participation in this.

I need to ask you first—about a very parochial issue in my district, but it affects a lot of the fishermen that I represent. I come from the coast of Maine. We have a lot of lobster fishermen. It is a huge part of our fishing industry. This is about the commercial vessel bilge and washwater discharges.

Ms. MCCARTHY. Yes.

Ms. PINGREE. Okay. So there is an upcoming rule around this, which I am sure you know about, that is of great concern to a lot of the people I deal with. It is my understanding that the EPA may require all commercial vessels under 79 feet to apply for and receive individual discharge permits as a result of the expiration of the small vessel exemption in December. So recreational vessels are not required to get a permit for discharges incidental to their normal operation. Instead the EPA develops a management practice performance standard with the Coast Guard. The Coast Guard makes regulations that require compliance with those practices. That makes a lot of sense for the smaller vessels, in my opinion.

I just want you to know you would be hard pressed to find a bigger advocate for clean water than I in Congress, and I am staunchly in favor of that. I am from a coastal State. We care deeply about the environment. We understand the appropriate relationship between a clean environment and a healthy economy, so I am in favor of all those things. But there has to be a way for the EPA to balance our great environmental concerns with the practical concerns of men and women who earn their living on the water. These are not giant fishing boats. They are not cruise ships. It doesn't seem appropriate that they should come under the same requirements. So can we talk about this, about how you are going to implement this rule and how they will come under it?

Ms. MCCARTHY. Yes, My understanding is that we have been working pretty closely with the Coast Guard to reach out to all of the constituencies on this so there is no confusion, and that it can be easily implemented, and there is consistency between EPA and the Coast Guard on numeric limits as well as timeline and implementation. If we are missing your constituency in that conversation, we will close that gap because I know how important clean water is to Maine, and I know how seriously you take it.

Ms. PINGREE. Okay. Well, I appreciate that, and I would love to talk about that further with you. I am happy to follow up, but I think it is critically important that—they aren't lumped in with every other boat under 79 feet, that we don't just give them more time. This is a potentially expensive endeavor for them at a time when fuel costs are high. They have got plenty of burdens on their back.

Ms. MCCARTHY. Thank you.

MONARCH BUTTERFLIES

Ms. PINGREE. Let me take a completely other tack, and I don't want anyone on the Committee to start laughing, but I want to talk about monarch butterflies just for a minute. In 1996, enough monarchs made the journey from Northern States down to Mexico to cover 50 acres of pine forest. Today it is just about a football field. There are a lot of reasons. I consider this an indicator species, a canary in a coal mine—sorry about coal mines. But I think there is reason to be concerned, and I am very interested on the agriculture side of this.

If you plot it on the chart, you will see that increased use of Roundup sort of charts about the same way as the decrease in monarchs. This is a significant difference. Ninety percent of all the monarchs have disappeared in Ohio. A lot of this is because of milkweed being eliminated because of the increased use in Roundup, which most of us think is because more farmers are planting GMO Roundup-resistant corn and soybeans. So I know it is a complex issue, but I see there is a $5 million increase in the chemical safety line of your budget devoted to pesticide effects on the environment.

Ms. MCCARTHY. Yes.

Ms. PINGREE. Are you thinking about using any of these new funds for investigating some of the pesticides—and herbicides, I would say, herbicides.

Ms. MCCARTHY. We are actually looking at some of the chemicals that you are referencing, and we are also working pretty closely with the Department of Interior on this issue. It is all about making sure that we understand the ecological impacts and work on endangered species and other issues more effectively.

So I don't disagree with many of the issues that you have raised. I think we have a challenge when you have a multifactor issue that is impacting, but I think you will see that the entire administration is paying pretty close attention to this issue, and those funds are really being dedicated to those efforts.

Ms. PINGREE. Great. Well, I will be looking forward to following that closely. And I have lots more questions, and if I don't get time today, I will just submit them to you for further discussion. So thank you very much.

Ms. MCCARTHY. Thank you.

Mr. CALVERT. Thank you.

You won't have any coal mines left for those canaries. Well, I want you to know that I planted milkweed in my back yard to attract monarchs butterflies.

Ms. MCCARTHY. We can start a monarch caucus right here.

Mr. CALVERT. That is right.

Mr. Stewart was first in, so I recognize him.

PRESIDENTIAL AUTHORITY

Mr. STEWART. Thank you, Mr. Chairman.

Madam Administrator, good to see you again. We had a chance to talk before. I was a Subcommittee Chairman on the Committee on the Environment. We have had you before our Committee. I think you have a tough job. You clearly have a very important job,

and we want to support you in that. It won't surprise you that there are many things that you and I may disagree with, that the President and I may disagree with, and some of those have been brought out today. I would like to come back and address some of those if we have time and more specific questions, but before I do I would like to make a general observation and get your reaction to it.

I am in the middle of a reelection campaign, as is everyone else here on the dais. I have to go back to my constituents every 2 years and convince them that I am making the right decision for them, for the people. And not just with Republicans by the way, but I make that argument with Independents and Democrats, trying to convince them that I am, as fairly as I can, trying to represent them. If they don't like the decisions that I make or what I am advocating for, there is a very simple solution, and it is exercised all the time, that they vote me out of office.

And the House is the People's House. I think we most accurately reflect the will of the American people, which is why it is so disturbing for so many when they see your boss, the President, do what he did during the State of the Union Address and stand up and essentially say that he was going to bypass the will of the American people, that he was going to implement policies and regulations contrary to the will of the House, who represent in many cases the will of the American people. And to my Democratic allies and friends, and they stand up and applaud that, I just think that is insane. I can't imagine them wanting to abrogate those responsibilities to the President.

There are reasons that some of these initiatives and some of these regulations that we have talked about here today are so controversial, because they don't reflect the will of the American people in many ways, and they have great concerns about them. And I would just ask you, do you understand our concerns on that? Do you understand how we feel like this betrays the intent of our Founding Fathers in bypassing the Congress and taking more and more of that power to the White House?

Ms. MCCARTHY. To be very honest with you, Congressman, no, we don't agree on that issue, because what I heard the President say, and what I have heard him say over and over, is that he is more than willing to work with Congress on issues like climate change, but if Congress doesn't act, he feels a compelling need to act because of the public implications of inaction, but using the current authority that has been given to our Agency, not expanding——

SCIENCE ADVISORY BOARD—CHARGE QUESTIONS

Mr. STEWART. But you see, Madam, if you were using the current authority, many of us would accept that. But the problem is is we don't believe you are using the current authority. We believe you are expanding the current authority.

And if I could talk about and respond to your characterization of the President, using climate change and some of the initiatives, he held the House and he held the Senate for 2 years, and they didn't move that legislation, and the reason they didn't is because they knew that it was extraordinarily unpopular with the American peo-

ple. Now, they like to blame us and say that the Republicans are the ones standing in the way of that, but that is not true. They had a 2-year window when they didn't move that legislation. And now that they can blame us for being obstructionist, as they say, then they say, well, we will do it ourselves, something they were unwilling to do or unable to do even with a Democratic Congress and a Democratic Senate. I just don't think it is being honest when he says that the Republicans are the ones who stood in the way of that when we know that the Democrats had the opportunity to do that.

If I could go on to a more specific question, and this is previous to our panel here, but I have legislation which would review and which would refine some of the SAB processes. And I have to tell you again, Madam Administrator, I am extraordinarily disappointed with the response we have gotten from some of the members of the SAB. For example, we have asked them to address charge questions and to give us a response to that; and in some cases they have responded to us saying that they have to get your permission before they will respond to us on some of those questions.

Do you agree with that, or do you believe as I do that the Congress as having the authority to ask them these charge questions and for them to respond to us in that?

Ms. McCarthy. Congressman, I think you have asked a fairly complicated issue, and let me be as clear as I can. The role of the Science Advisory Board is strictly to look at science, not at how that Science is applied through policy in law. I think we try to respect their independence, both you do and we do; and to the extent that we can work together to make sure that they maintain their independence. That is the most important thing that we can do.

Mr. Stewart. Which is why this is concerning to me, because, they are supposed to be able to respond to the Congress independent of the Administrator. They are telling us in many cases with these charge questions, we have to seek your approval first before they will answer those questions. I believe that is exactly the opposite of maintaining independence.

Ms. McCarthy. We have done the best we could to work with the Committee. We have addressed these issues. When charge questions have been raised, we have certainly considered those, but we have a job to do with the Science Advisory Board, and to the extent that we can let them go about and do their business, I think the better off the American public is.

Mr. Stewart. And I will conclude with this, Mr. Chairman.

Madam, are you familiar with some of the reforms that we have suggested in this legislation that addresses the scientific advisory panels and boards?

Ms. McCarthy. Actually I apologize. I am not specifically familiar with it, but I can make myself familiar with it.

Mr. Stewart. You know, it may not matter now. I would be interested in your response to those, because I think it is a very sincere and a very important effort to maintain the independence of these boards. We believe that they have demonstrated to us in a sense that they are nonresponsive in many cases when they have had many opportunities to respond. And I am not talking over a

matter of days and weeks; I am talking about over a period of months and years. Then many times the answers they give is, we have to check with the administration first. Again, there is clearly, clearly a preponderance, and their intent is to adhere to the administration line rather than doing, as that legislation was set up to do, to provide the Congress with independent scientific analysis, and if you would I would like your response to that.

Ms. MCCARTHY. Thank you, Congressman, for calling it to my attention.

Mr. STEWART. Mr. Chairman, thank you, sir.

Mr. CALVERT. Thank the gentleman.

Mr. Serrano.

SOLID WASTE CONVERSION EFFORT

Mr. SERRANO. Thank you, Mr. Chairman.

And thank you for being here and joining us today.

Let me ask you a question about back home. Over the past decade New York City has made a significant investment in diverting its solid waste from landfills to recycling operations. Among the recycling options, the city has committed itself to composting as much organic waste as possible, including, most recently, food waste.

For this solid waste diversion effort to be successful, the city needs to have access to a strong composting industry. I know EPA shares the city's commitment to it, and I applaud you for that. My concern is that in recent years, the use of what are called persistent herbicides may threaten the continued viability of the industry. As I understand it, these new herbicides do not break down in the process, and their presence in the finished compost product renders the compost unusable in gardens and agriculture. As the Agency undertakes its periodic review of these herbicides, what steps are you taking to resolve this problem?

Ms. MCCARTHY. I really appreciate your bringing this up. I know it is a complicated issue, but we have actually taken a look at these herbicides, and we have taken a couple steps. One, we actually no longer allow the registration for residential use so that we can keep it out of the composting that we so want to have happen. In other cases we have made label changes, and also, when the registrations come up for review, we are looking at these issues.

I am happy to say that I think we are on the road to addressing this pretty effectively. In 2013, we really didn't get any specific concerns raised that we had prior to, but if there is other work that we should be doing, Congressman, I think it is important that we work together on this. Composting is an essential part of a really good, solid waste management strategy. And to the extent that we need to consider that when we are looking at these pesticides, we couldn't agree with you more.

URBAN WATERS FEDERAL PARTNERSHIP

Mr. SERRANO. Okay. So I would like very much for us to find a way to keep in touch because as you said, this is the way to go, but this new issue came up which now has created a problem where there shouldn't have been a problem at all.

Let me ask you, I have a bunch of questions I will submit for the record, but let me ask you another one. Your Agency is taking a leading role in the Urban Waters Federal Partnership, which then-Secretary Salazar kicked off in my district along the Harlem River several years ago. We spent years cleaning and restoring the Bronx River in a collaborative and community-oriented fashion. This Federal partnership was designed to build on this model and bring the sort of success that we have had to other urban waterways.

I am particularly interested in hearing what the EPA has done in support of this great initiative and what you plan to do in the coming year. Please tell us about the successes that you have had and the challenges that you face. Please also elaborate on the staffing levels and budget funds you have dedicated to this very important initiative.

Ms. McCarthy. Well, thank you for raising it. The Urban Waters Initiative is an extremely important program that we have initiated with the Department of the Interior, USDA and others across the Administration. It is an opportunity not only to highlight urban challenges related to water as we have identified in New York, but it is also an opportunity to get our youth involved in these activities. It is just so good. It is one of those that I think every side of any aisle would agree to.

In this year's budget we are looking at a Presidential budget request of 4.4 million, and that would be the same as we requested last year with the same leave of FTE, which is six. We are utilizing certainly, I think, well beyond those funds in terms of generating interest. It is also one of those programs that is a public-private partnership. We leverage significant resources.

So we continue to add projects into the mix to the extent that we can working with the other agencies. We most recently are working in the Anacostia, which is a really exciting opportunity for us.

I am happy to share sort of the success stories that we have had on this program. If I could do a whole lot more with it, I would be happy to, but we think we have it a level where we will continue to grow, and the interest in the private sector will grow, and we will find more opportunities for success.

Mr. Serrano. I would hope so. I would hope that we also would keep in touch on this, because one of things I can tell my colleagues, and I have told them this before, is that when we think of water and we think of waterways, we usually think of wide open spaces in other communities. But I think in this last generation, I don't know how many years as such, there has been a big change where the inner cities have paid attention to the rivers that run nearby and the lakes that are nearby, and have taken a serious interest that was never taken before to where you see now desires, as part of the design, from a new Mayor or new Governor or something to build the waterways and to make them both recreational and business oriented, in the Harlem River and the East River in our case and in many other places.

Ms. McCarthy. We are doing really literally job training for youth using this program. It is an opportunity for us to engage, older children, teenagers and above, to look at how they do voluntary water monitoring. We try to teach them at a standard

where it gives them capacity to enter into the private sector. It is a way of capturing youth in a way that is going to build continued environmental stewardship, as well as usually these areas are really focused on underserved communities, communities that are challenged, high minority, low income. It is breathing a sense of hope in some communities that may not have quite existed to this level before, and we have—I love this program. I think it is exactly the way that the Federal Government should be treating States and communities, and I think it is exactly the kind of cross-agency effort that the Federal Government should duplicate.

Mr. SERRANO. Well, you have an ally here, and let's hope we can continue to build on this.

Thank you, Mr. Chairman.

Mr. CALVERT. Thank the gentleman.

Mr. Joyce.

Mr. JOYCE. Thank you, Mr. Chairman.

Madam Administrator, imagine this: I want to talk about water, too.

Ms. MCCARTHY. I am well practiced now.

GREAT LAKES RESTORATION INITIATIVE

Mr. JOYCE. I will agree with my colleague Ms. Pingree about the fact that we all care about clean water and clean air. But our investments in the Great Lakes Restoration Initiative are final paying off. Last year Presque Aisle, which was a Pennsylvania Area of Concern, was delisted. In the northeastern Ohio district I represent, we have completed a project at the Ashtabula Area of Concern. I believe your Agency expects to complete management actions of five or more areas of concern by the end of 2015.

Ms. MCCARTHY. That is right.

Mr. JOYCE. Since GLRI's inception, 29 beneficial use impairments have been removed at 13 Areas of Concern in 6 States, more than tripling the number that have been used in the preceding 22 years.

With all these accomplishments, you will probably understand my disappointment that the Administration would propose cutting such a successful program that was producing such strong results. Why would the Administration want to cut such an impressive program, especially given the amount of work left to do, like cleaning up more toxic hot spots, dealing with algal blooms in Lake Erie, and stopping invasive species?

Ms. MCCARTHY. I think it may be too strong a word to say that we want to. I think we are faced with some tough choices, but I do not at all disagree with you that it is a tremendously valuable program.

We are looking at a current fiscal year 2015 Presidential budget request of $275 million. That is down from the $300 million the prior year before. It is just a reflection that we are trying to continue to build on the great work, hoping that the $275 million can build on infrastructure and information we have already gathered before, but it is not a sense of a lack of interest or commitment or an acknowledgment that this isn't a great program, and needed.

Mr. JOYCE. Congress accomplished a great bipartisan victory last year by getting GLRI to $300 million, especially when facing such

difficult budget caps, and I hope we can work together to increase that number even in these trying budget times.

Ms. MCCARTHY. I would hope so.

HYDRAULIC FRACTURING

Mr. JOYCE. I represent the great State of Ohio, which includes the Marcellus shale. We are blessed with natural gas resources. As you know, the States are primary regulators of oil and gas development and have been for over 60 years. Doing this at the State level allows regulation to be tailored to each individual state and to its geology, the needs of its citizens, and so on. Essentially, one size does not fit all.

Having said that, the concerns are that the EPA is now planning to impose regulations superseding regulations.

Can you please tell me what your plans are with regards to the rules that will impact oil and gas development? And are you planning new air, water, waste reporting rules? Also, if you would, what should we expect coming out of the EPA in the next 2 years?

Ms. MCCARTHY. I am happy to answer the question.

As you know, we have been asking significant funds just to take a look and do research in this area to ensure that natural gas is being done safe and responsibly. I know who the first line of defense is, and it is the States, when you are talking about water. So we are very respectful of that, and will continue to be. I know that not every shale deposit is the same. There are different challenges in different parts of the country.

So having said that, the one exception I would raise is the air issues. We have already regulated to some extent, volatile organic carbon emissions from fracking operations. I think we that with great sensitivity to align with the States, to make sure that we were not duplicating their efforts or requiring reporting beyond what States have been doing themselves or being respectful of that reporting.

We are still continuing to take a look. Because we did that with natural gas. You will see that we are going to be looking at that from oil and combined natural gas and oil wells as well. But that is not about different regional issues, it is about what technologies are available and taking a look at moving forward. That is part of the methane strategy under the Climate Action Plan. So you will be seeing some white papers coming out, but not direct regulation. We will have plenty of time to take a look and to work together on those issues.

Mr. JOYCE. You certainly have plenty to do, Madam Administrator. So I would volunteer that this is probably best left to the States.

And I would yield back my time.

Mr. CALVERT. Thank you. Thank you, Mr. Joyce.

Mr. Valadao.

RENEWABLE FUEL STANDARDS

Mr. VALADAO. Thank you, Mr. Chair and Administrator McCarthy.

I want to associate myself with the comments of the Chair and our full committee Chair on the water issue. The water issue is

also a very big deal in my district. I know that it has been brought up quite a bit today, so I don't feel I need to bring it up any more.

But I did have a question. It is my understanding that the EPA has not yet finalized blending targets for the renewable fuel standard of 2014.

Ms. MCCARTHY. Yes.

Mr. VALADAO. EPA's November proposal took a common-sense approach by setting a mandate to hold biofuel production constant because consumers and their vehicles just can't handle any more ethanol. Yet, at a January conference of State Departments of Agriculture, press reports quoted you as saying, "I have heard loud and clear you don't like [proposed blending targets]—you don't think we hit that right. And that given all the feedback the final rule, when released, will be in a shape that you will see that we have listened to your comments."

Ms. MCCARTHY. That's correct.

Mr. VALADAO. To me, these comments suggest the EPA may reconsider its previous RFS proposal to appease agricultural interests, to the detriment of consumers.

Should your comments be taken to mean consumers will have to continue using more and more ethanol regardless of what their vehicles were designed to handle?

According to your assessment of the law, does EPA have the authority to finalize a rule outside of the existing November proposal?

Ms. MCCARTHY. Well, let me answer your first question.

I believe that if you take a look at my comment, it said that clearly in particular the ethanol and the biodiesel industry, do not believe that, the proposal represented the full breadth of what the agency could or should be doing to achieve the Congressionally mandated levels in the law. I told them that I would be taking a look at comments and they would see that we properly considered those.

I would also suggest that if you asked me if it also considered other opinions and would be considering those, answer would be the same. We will take a look at all comments coming in.

In terms of the final rule, we are going to do our best to meet the requirements under the law. But we do need to continue to recognize that the ethanol levels in the law, we are not able to see those absorbed in the market. We want to bring no cars at risk. We don't think we need to or we ever would. We are going to make sure to take a reasonable approach that recognizes the infrastructure challenges and the inability at this point to achieve the levels of ethanol that are in the law.

HYDRAULIC FRACTURING

Mr. VALADAO. I am going for switch gears a little bit. I represent a part of California, Kern County, which I share with the Whip Kevin McCarthy. And obviously oil production is a large part of our economy.

You said that hydraulic fracturing can be done safely, and have agreed with former EPA Administrator Lisa Jackson, that there have been no confirmed cases of hydraulic fracturing impacting drinking water.

Given the President's Climate Action Plan relies heavily on the use of natural gas, what is your vision for educating the American public that hydraulic fracturing is safe, creates jobs, and has lowered American energy costs?

Ms. MCCARTHY. That is a really great question. Because it gives me an ability to again acknowledge that natural gas has been a tremendous economic opportunity for this country. Our goal is to make sure that it is consistent and done safe and effectively so it remains an environmental win as well.

One of the things we are doing is actually requesting funds to continue to do science around this. Because the EPA would like to be able to say very clearly, about natural gas and how do you extract it in a way that remains safe and responsible.

That is our goal, and we think we speak best when we speak to the science.

Mr. VALADAO. As I understand it, the EPA plans to release the fracking study to the public at the same time it is submitted to the Science Advisory Board for peer review. Is it normal for the EPA to release its scientific studies before the peer review is completed? Are you concerned that by releasing the study before peer review is completed, the EPA is setting itself up for a situation in which it may have to backtrack on findings that do not stand up to peer review? Couldn't that result in the public being unnecessarily scared or misled?

Ms. MCCARTHY. My understanding is that a draft study is being planned to be released at the end of this year. You are right, we would put that out for public comment. We would also make sure that it goes to the Science Advisory Board because we have established a great panel to take a look at that.

It is not my understanding that we are trying to confuse anybody. It actually becomes public as soon as it goes to the Science Advisory Board. So they are the ones that are going to be able to be managing all of those science comments and anything else will be able to consider as the Science Advisory Board completes its peer review.

So it is again just a robust process that will be transparent and in the public review and will take a look at those comments. But this will be an ongoing effort to make sure that we understand the science.

DEREGULATION OF HERBICIDE-TOLERANT CROPS

Mr. VALADAO. Switching gears again. Weed resistance is a capability unique to biotech crops. Ensuring farmers have access to multiple modes of action to address weed resistance is very important. One way to help farmers is to ensure that they have access to new herbicide-tolerant crops. I understand the USDA has not deregulated products that will give farmers additional ammunition against stubborn weeds and the EPA continues to wait for the USDA's deregulation decisions before taking action on herbicide approvals.

Can you help me understand why is it taking so long for these crops to get into the marketplace? Is your agency required to wait on USDA's deregulation decision before the EPA takes action?

Are you, USDA and EPA, efficiently coordinating the deregulation of herbicide-tolerant crops? If so, what has occurred that can be quantified as an improvement in coordination between the agencies?

Ms. MCCARTHY. We have met—again you are raising a very good and timely issue. It is an active coordination between USDA and EPA because it is important for us to respect the decision and the primacy of the decision of the USDA. That does not mean that we are not doing anything. We are not making this decision in sequence. We are actually coordinating; so they are doing their work, we are inputting into it, and they are inputting into ours. You will see that that means that we will be getting some decisions out from both agencies very quickly.

Mr. VALADAO. Is there any requirement that you release together or work together?

Ms. MCCARTHY. Probably there is no requirement that we do it that way. But, in my opinion, good management means that we coordinate with one another. That is what the industry has asked us to do. This is the smartest way to get it done as quickly as possible, recognizing that we both have a decision to make in this process.

Mr. VALADAO. All right. Thank you.

I yield back.

Mr. CALVERT. Thank the gentleman.

Mr. Moran.

Mr. MORAN. Thanks very much, Mr. Chairman.

I was interested in the comments on cellulosic ethanol.

Ms. MCCARTHY. Yes.

RENEWABLE FUEL STANDARDS

Mr. MORAN. I do, obviously, support renewable fuel and renewable fuel standards. But it does seem as though this corn-based requirement——

Ms. MCCARTHY. Yes.

Mr. MORAN. Is a bit of a ripoff to the—not only the people who pay for gas, but who buy food. I mean, it has got to be a major contributing element to the fact that cost of food has gone up by 60 percent above the general rate of inflation. And I think it is largely driven by the standard that is artificially raising the price of corn. So I hope we will look at that. It is——

Ms. MCCARTHY. I think, Congressman, we all agree, and the statute is pretty clear that we are really trying to get to advanced and cellulosic.

Mr. MORAN. Good.

Ms. MCCARTHY. That is the goal of the renewable fuel standard.

MUNICIPAL SOLID WASTE

Mr. MORAN. Good.

Mr. Serrano raised this issue of municipal solid waste. We clearly need to find better ways of dealing with municipal solid waste. And he is talked about the commercial use of stuff that comes from restaurants and so on, which is terribly important. Municipalities are paying an enormous amount of money to dispose of this stuff. But if we can convert it to something more useful, that is great. So I am glad that Joe raised that issue.

Let me ask you further about that, that issue, larger issue, though.

Over the past 2 years, we have been engaged, along with a number of stakeholders, in improving and trying to update the Environmental Protection Agency's MSW characterization report. We want to be able to more closely examine the major types of recycling systems and their resulting end markets. Because it could lead to more informed decision making at the local and State levels where recycling and solid waste programs are chosen and implemented.

Now, we understand there are a lot of different ways of measuring it. But, the fact that you collect these materials, doesn't necessarily mean that they are recycled into new products.

Ms. MCCARTHY. Yes.

Mr. MORAN. Currently, the report only reports on what is being picked up, not necessarily what is being ultimately recycled.

So I wonder what your approach might be in terms of reaching out to those industries that are collecting and processing and sorting and reselling this recyclables collected, so that we can gain a better understanding of the end product of their recycling systems.

Ms. MCCARTHY. Well, I don't know if I can tell you the complete work that we do because clearly our Office of Solid Waste does a lot of work with the industry itself.

But one issue that is on my radar screen related to this, Congressman, is our definition of solid waste. Is basically an opportunity to encourage this type of commercial recycling. The prior administration did a rule that we are re-looking at because it hasn't effectively generated the kind of interest at the State level that we thought it would generate to advance recycling of materials that would then be reused, genuine recycling. States are a little bit reluctant to take advantage of the rule as it was prior written. We have reproposed it, and we are looking to finalize that rule.

What that rule does is really set a system of regulation so that you can properly recycle. But in a way that the communities themselves know that if these efforts are underway in their community that it won't pose a hazard to them.

I think there are ways in which we can look at this in a variety of ways, not just technical assistance. But really pushing markets by providing, again, a certain regulatory framework that States can take advantage of, where we would have the capacity to define it a little bit better than the States, and they can take advantage of it or not.

That is what this particular rule is all about. So we are trying to do it both individually through technical assistance as well as systemically to provide a more solid foundation for our recycling industries to grow.

Mr. MORAN. Good. Well that is good to hear. I know a lot of folks, they religiously recycle all their stuff. And then they hear, well, it is just dumped in the same pile. It is just to make the homeowner feel better about it. And the end result doesn't achieve what——

Ms. MCCARTHY. That is a particularly a problem with electronic waste.

Mr. MORAN. Yes.

Ms. MCCARTHY. It has been a consistent problem.

Mr. MORAN. Yes.

CATALYTIC CONVERTERS AND CONVERTER STANDARDS

Now, Mr. Chairman, I have just one other issue here that I want to bring up.

And this is with regard to catalytic converters and Federal standards.

Ms. MCCARTHY. Yes.

Mr. MORAN. The EPA—you have an after-market catalytic converter standard that hasn't been updated since 1986. And as a result, California, their Air Resource Board developed a standard that will take effect in California in 2015. And there is some concern. New York is doing the same thing, putting out their own regulation.

And our concern is what it might mean if we have a host of States coming up with their own standards. There is also a cost factor here. If repair facilities have to install the California-Air-Resource-Board-certified converter, the cost difference can be between 35 and 40 percent. More than the ones certified by the EPA.

So I wonder if the EPA is working on coming up with a model standard for the Nation so that we don't have 25 or 30 different standards throughout the country. But we obviously want to make the converters more environmentally friendly. But we also need to make sure that they are affordable to the consumer.

Ms. MCCARTHY. Congressman, I do not know the answer to your question. But will certainly take it up when we get back to the office. I understand the issue. I wasn't aware that individual States were moving out and it had be so long since we have revisited this. But we will take a look at it and see what we need to do.

[The information follows:]

Ms. MCCARTHY. Research into this matter is ongoing. We are in the process of preparing a response to a letter from Congressman Green of Texas that addresses similar concerns.

Mr. MORAN. Good for you.

Thank you very much, Administrator. You have done a terrific job today.

Ms. MCCARTHY. Thank you, sir.

Mr. MORAN. It hasn't necessarily been smooth sailing, but your answers have been very responsive. And in my view, you have done a great job. And I appreciate it. Thank you.

Ms. MCCARTHY. I thank you for all your years of service.

Mr. MORAN. Thank you. Thank you, Administrator.

Mr. Chairman.

Mr. CALVERT. Thank you.

California always, obviously, leads the way when it comes to clean air. We put out regulations before any one else does. We have a history of that in California.

Ms. MCCARTHY. You are doing great. The air is much better, certainly, in California.

DIESEL EMISSIONS REDUCTION ACT

Mr. CALVERT. One of the reasons why we have much better air is because of the DERA program.

Ms. MCCARTHY. Oh. That was a smooth transition.

Mr. CALVERT. It has been a very successful program. Senator Feinstein, Senator Boxer, and I agree. You know, we—and, you know, and Jerry Lewis, who wrote the original legislation for the California Clean Air Act in the State of California. And why? Because it works. We are removing old diesel engines from the inventory throughout the country. It especially affects PM2.5 and particulate matter, which was a big problem in the South Coast Air Quality basin.

And so it is distressing to us when we see that the administration proposes to eliminate diesel emission grant program. Which,—as I mentioned earlier, has $13 of economic benefit per Federal dollar, based on your, own EPA analysis.

Can you explain why would you want to remove a program that has such real achievement and really works?

Ms. MCCARTHY. Chairman, I am not trying to be contrary. But, I don't want to do this. I want to respect the budget limitations that I have been given and make the best decisions I can. I am trying to balance a lot of interests here. We have had many years of significant funding of the DERA program. It has provided a wealth of benefits.

Mr. CALVERT. It has had the largest effects——

Ms. MCCARTHY. Decisions have to be made, and they are difficult ones.

Mr. CALVERT [continuing]. In the area that I live, of course, the Port of L.A., Long Beach, all these trucks around there. And helping these independent truck drivers change over to these new, modern engines that have 90-percent less emissions. 90-percent less emissions. It has had an incredible effect on air quality in my part of the world.

So I am going to work with Mr. Moran and our friends in the Senate. I am sure—I suspect you probably knew we would put the money back in the program. Since it has been around for such a long time and it has such tremendous success. And had such bipartisan support.

But with that, I am going to go back to water for a second here.

Ms. MCCARTHY. You are making me shuffle my papers here.

WATERS OF THE UNITED STATES

Mr. CALVERT. I think Mike wanted to come back for some questions. I don't know if he is going to make it back or not.

Apparently, 117 million people whose drinking water is derived in part, according to the statistic I have just receive, from intermittent streams. The question is, do they have a higher death rate than those who get their water from rivers and lakes?

Ms. MCCARTHY. I don't believe the water is drawn directly from the intermittent streams. Those intermittent streams are relied on to support the navigable Waters below. Which is both supporting the surface water and ground water that provides that drinking water.

Mr. CALVERT. Well, since the science the complete and just being collated and double-checked, do we know that these 117 million people get specific illnesses that are attributable to known elements that are washed through these intermittent streams?

Ms. MCCARTHY. The 117 million is simply an indication of looking at what Waters feed drinking water supplies. Part of those are these intermittent streams, streams that are fed through main events or that are seasonal.

Mr. CALVERT. I think what I am trying get to, in other words, are we fixing a problem or are we just complying with this proposed law?

Ms. MCCARTHY. I guess what I am suggesting is that Waters of the U.S., were designed to protect drinking water, to ensure that natural resources are protected for fishing, hunting and swimming. These streams are important for that. But my major point in that was that these streams are critical to drinking water supplies. That is the reason why they should be considered and currently are Waters of the U.S.

BRISTOL BAY PEBBLE MINE WATERSHED STUDY

Mr. CALVERT. Okay. And I am sure Mr. Simpson is going to expand on that. I am going to change directions once again.

On the issues of denying a permit before someone is even able to apply for a permit.

Ms. MCCARTHY. Yes.

Mr. CALVERT. And this is regarding the Bristol Bay Pebble Mine Watershed Study.

Ms. MCCARTHY. Yes.

Mr. CALVERT. This is the new EPA? Just say no?

Ms. MCCARTHY. No, sir. I wouldn't characterize the actions we are taking at EPA as——

Mr. CALVERT. Because, I think the business community wants to know why even apply to anything that is going to be no before we even start.

Ms. MCCARTHY [continuing]. In the history of EPA, we have only used this 404(c) process, which is what we have just taken a first step to consider, 13 times, only once, when we haven't had a permit in the mix. This is the second time. So I don't think you want to think of this as any trend.

It has a very unique circumstance, Chairman. It is a unique resource. It is one of the world's largest and most active and producing sockeye salmon fishery and just a beautiful area that is very unique. This is a unique mine. We have taken a first step to look at this as to whether or not we should take action. I think it was appropriate to do that.

Mr. CALVERT. Well, this country has a—I know it may be antiquated to some, but due process is part of this country.

Ms. MCCARTHY. This will be thoroughly debated, transparent, and public comments, if we decide to continue beyond this first step, which is a discussion with the company and a discussion with the State and the Army Corps.

Mr. CALVERT. Because this unilateral determination without any due process is very troubling to me. And if there is a trend to this, as the Chairman mentioned earlier, this is going to have a significant effect on our economy.

And with barking noise in the background, I now recognize Mr. Simpson.

Ms. MCCARTHY. I was at Ducks Unlimited and he had a quacking one that went off.

Mr. SIMPSON. Well, the worst thing was that I happened to be presiding on the floor of the House, and I called my Senator and left a message to call me back. And I got—went in the chair and presiding. And we were debating what to do with the rescue dogs after Hurricaine Katrina. And my phone started barking. And it was not preplanned. Parliamentarian had to leave the floor, he was laughing so hard.

But I want you to know that under Chairman Calvert's direction, I went over to the floor to screw things up so they wouldn't have votes in the middle of this so that we could finish your testimony and not have to have you wait around for an hour.

That is the kind of guys we are, and I appreciate that.

Mr. MORAN. So kind.

Ms. MCCARTHY. Was it a particular expertise he was going for there?

CLEAN WATER ACT—WATERS OF THE U.S.

Mr. SIMPSON. Yes. I can screw things up.

Back to the Clean Water Act and the new rule that is out.

Ms. MCCARTHY. Yes.

Mr. SIMPSON. You have put out a list of agricultural exemptions.

Ms. MCCARTHY. Yes.

Mr. SIMPSON. That the EPA has released. But that only applies, as I understand it, to section 404, the dredge and fill of the Clean Water Act. Is that correct?

Ms. MCCARTHY. Do I know the answer to that question? I have to double-check with you. I believe that it is an exemption under the Clean Water Act Waters of the U.S. It may be beyond that. But I—it certainly wouldn't apply to direct discharges that would be covered under NPDES. Let me double-check. I don't want to be incorrect in my——

Mr. SIMPSON. From what I understand, it is the way I understand it. And I might be incorrect. I don't know. But I would like to clear it up. That is that the exceptions only apply to the 404. And as I understand it, a farmer engaging in normal activities would have to adhere to the NRCS standard in order to avail himself or herself of the exemption.

Ms. MCCARTHY [continuing]. Yes.

Mr. SIMPSON. Has that always been true?

Ms. MCCARTHY. Actually, this is an expansion of exemptions we would recognize.

Let me start by saying we are changing no exemption that currently exists under the law with this proposal. All of the current agricultural, silviculture exemptions continue as is.

This is an opportunity for us to work with USDA to encourage additional conservation which benefits the ag community, and our natural resources. Recognizing that it also benefits water quality. So it is trying to again provide more certainty. It doesn't mean that all of those 52 prior to would have required a permit. What it says is we are providing certainty that you don't even need to ask anymore as to whether or not this is normal agricultural practice. We are defining it as best we can.

May I say one more thing?

Mr. SIMPSON. Yes.

Ms. MCCARTHY. You know, I really like this proposal or I wouldn't be talking so much about it.

Mr. SIMPSON. I know.

Ms. MCCARTHY. But the other thing we did was we have also put out what we call an interpretive rule. Because that will allow us to look at the comments that come in and continue to work with USDA and Agriculture to add to that list. Because as much as we can define agricultural practices that are exempt, without question, the more that a farmer can do their farming without worrying about whether they are doing something wrong. That is the goal.

Mr. SIMPSON. But the interpretive rule is just that, an interpretive time rule that can be changed at will.

Ms. MCCARTHY. Well, actually——

Mr. SIMPSON. It can be added to, it can be subtracted from.

Ms. MCCARTHY. Well, the goal is, that we are going to continue to add to those practices. But it does—the only thing that it would do is to again make the exemption clearer so that you don't have to say, is this an agricultural practice that is exempt. We are defining as much as we can agricultural practices so that certainty is there.

Mr. SIMPSON. And I understand your interpretation of what you are trying to do.

Ms. MCCARTHY. Okay.

Mr. SIMPSON. But understand the concern that people have that, oh, they are just putting this in an interpretive rule, which means they can change it anytime they want to. Which means they get the final rule through. We think we have got these exemptions. And a year later, they can come back and eliminate them all without having to change the rule.

Ms. MCCARTHY. The only thing that we——

Mr. SIMPSON. So that is a concern out there, is all I am saying.

Ms. MCCARTHY [continuing]. I understand. We will try to work through those in the comment period.

But it is clearly an attempt, at least its intent, is to do as much as we can to provide certainty to the agriculture community that they can farm the way they need to farm.

Mr. SIMPSON. Okay. The proposed rule——

Ms. MCCARTHY. Ranches, as they need to.

Mr. SIMPSON [continuing]. As you said want to bring certainty to ambiguity. And it talks in here that one section indicates that all waters within a floodplain would be jurisdictional. What floodplain are we talking about? 100-year? 200? 500-year floodplain?

Ms. MCCARTHY. We are talking about wetlands using the same definition of "high water" as the original rule. Statute.

Mr. SIMPSON. Okay.

Ms. MCCARTHY. So we are not changing that at all.

Mr. SIMPSON. One other subject, different subject, if I can find what the heck I did with my stuff.

Mr. MORAN. Mr. Former Chairman, while you are looking——

Ms. MCCARTHY. Sorry. Rule. The original rule. Sorry.

Mr. SIMPSON. The original rule.

Mr. MORAN [continuing]. Could I just—would you mind yielding for a question? Because I do want to fully understand this.

Don't 30 States defer to the Federal law so that they don't have their own regulations? They rely upon the Federal regulation? But is it different in the west? Do the States tend to have their own regulations that are different than the Federal regulations?

Mr. SIMPSON. This brings up the question I was just going to ask her.

Mr. MORAN. Okay.

Mr. SIMPSON. As you know, the State of Idaho recently passed legislation that will eventually take the lead in the State claiming primacy on the Clean Water Act. States can do that or they can let the EPA do it. And Idaho has chosen to let the EPA do it in the past, take the lead in that.

I don't know how many States are left that leave it to the EPA. Do you know?

Ms. MCCARTHY. It is something——

Mr. MORAN. I am told it is 30.

Ms. MCCARTHY [continuing]. Thirty is about right.

Mr. SIMPSON. That the EPA takes primacy on.

Ms. MCCARTHY. Yes.

CLEAN WATER ACT

Mr. SIMPSON. Well, they passed this legislation to give the state of Idaho primacy over the Clean Water Act. The State will spend some multiyear transition to primacy. And once it gains primacy, it will spend millions each year on its own program. That is generally why States don't take primacy, is because of the cost.

Ms. MCCARTHY. Sure.

Mr. SIMPSON. I am told that no Federal funds exist to assist the States with the transition or with the ongoing program once it started up.

So I guess my question is this: If a State is going to spend millions to run program now run by EPA and is going to hire dozens of people to handle a program now run by Federal employees, why are there no savings in your agency and why is there no assistance to the State in running the program? Or helping to at least transition to the State program? Why, as the State program grows, doesn't Federal government program shrink?

Ms. MCCARTHY. Well, we would certainly work with any State that wanted to take primacy on any program that the agency operated. But I am—I guess what I would indicate to you, Congressman, is that I do not see this rule changing the dynamic between the Federal government and States. The rule clearly reserves that effective State, Federal——

Mr. SIMPSON. Well, this is outside that rule. This has nothing do with the rule——

Ms. MCCARTHY [continuing]. Okay.

Mr. SIMPSON [continuing]. That I am talking about. I am talking about the State taking primacy over the Clean Water Act. Which means they are going to spend millions that is currently spent by the Federal government. Yet I don't see the savings in your budget on the savings that the Federal government will save by not having to do that.

Ms. MCCARTHY. I believe that the EPA has resources to help with that transition and to support the State in that effort. If we are actually now running a program that they are going to begin to run, we would accommodate that. And certainly encourage it. The more you can get State-level regulation, the better off all of us like it. It provides a better safety net for all of us.

Mr. CALVERT. Gentleman would yield for a moment.

Mr. SIMPSON. Sure.

Mr. CALVERT. It might be appropriate to point out that the Western Governors, which is a bipartisan group of governors, are absolutely opposed to this new proposed rule.

Mr. SIMPSON. They are.

Mr. CALVERT. Since we are bringing it up.

NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM (NPDES)

Mr. SIMPSON. It is going to take a lot more discussion and understanding on all sides, both from the EPA to understand the concerns of the Western Governors and western legislators and also from all of us to understand what this rule actually does.

If I could ask one more question. This takes just a minute.

Ms. MCCARTHY. I now realize what you—it is the National Pollutant Discharge Elimination System (NPDES) program you are talking about.

Mr. SIMPSON. Right.

Ms. MCCARTHY. There is really only four States that don't have primacy on that program.

Mr. SIMPSON. I thought there was only a few.

Ms. MCCARTHY. I am happy to be with you. If the State feels like we are not being responsive to them, I am more than happy to do that. Because this is a very encouraging step.

Mr. SIMPSON. Okay. In June 2012, the EPA released the Integrated Municipal Storm Water and Waste Water Planning Approach Framework.

Ms. MCCARTHY. Yes.

Mr. SIMPSON. That laid out a new model to help communities meet their regulatory obligations under the Clean Water Act in an integrated manner. If successfully implemented, this model could help communities more affordably manage their clean water obligations while ensuring continuous progress towards water quality goals. To date, however, only a handful of communities have come forward to express an interest in working with the agency on this initiative. And our understanding is that for the most part these communities are ones that are engaged in consent degree negotiations or are operating under an EPA enforcement action.

The true test of this new framework will be whether communities that are not facing an enforcement action but have large water quality challenges nevertheless can use the Integrated Planning Approach, as it has come to be known, to meet these challenges more affordably.

But these communities may need some help to develop plans in order to take advantage of this model, and these plans will cost money, some upwards of hundreds of thousands of dollars.

So last year, we suggested, this committee suggested, that a small amount of money be set aside in the EPA's budget to support

10 to 20 pilot communities to demonstrate and evaluate the effectiveness of this model. This appropriations request had broad bipartisan support in both the House and the Senate. But in final conference negotiations, we weren't able to get it across the finish line, in part because we couldn't convince the agency that supporting pilot communities with planning grants would help further their own initiative.

We would like to try this again very year. And what I would like to know is, will we have the support of the agency to undertake this pilot effort in order to demonstrate and evaluate the effectiveness of the Integrated Planning Model to help communities met their water quality goals?

Ms. MCCARTHY. Congressman, I would love to talk to you about it. It was an issue that we knew was on the radar screen. We would have loved—to have had significant enough resources to be able to accommodate it. I know that the Integrated Planning Effort that has been underway has been a successful one. But you are right, we want to move beyond an enforcement or compliance venue and make this a much proactive approach.

One of the reasons why we are looking at our green infrastructure issues in trying to have money that accommodates working with a hundred communities was we thought that that might be a more effective approach to integrating thinking about storm water and waste water in a collaborative way.

We do have funding in our budget to address these issues. Perhaps we didn't quite agree on the venue or the vehicle for doing that. But I do know that NCWA has been actively engaged in thinking about these pilots, they have been working with us in workshops across the country, and we are happy to continue this discussion.

Mr. SIMPSON. Okay. I appreciate that.

Mr. MORAN. Would the gentleman yield?

Mr. SIMPSON. Sure.

INTEGRATED PLANNING INITIATIVE

Mr. MORAN. Thank you very much, Mr. Simpson.

As Mr. Simpson knows when he was Chair last year, I strongly supported this as well. It was both sides of this subcommittee that wanted this Integrated Planning Initiative money. It is only 2 million bucks, and the cost of compliance can get substantial. And of course the water systems pass it right on to the consumer.

So it does seem to be a way of saving money. So for what it is worth, you know, this is going to be something that both sides agree on. So I would suspect you are going to see it again. It would be nice to be able to work with you instead of having to impose it.

Ms. MCCARTHY. Thank you.

Mr. MORAN. Thank you.

Mr. SIMPSON. Thank you. And thank you for being here today. And Mr. Calvert, thanks to the chairman for the extra time that I had here.

And I look forward to working with you so that I can understand where you are coming from on this new rule and you can understand some of the concerns we have on that new rule.

Ms. McCARTHY. You are right, only the 404 permit requirements are—there is the exemption for the NRCS issue. So you are right.

Mr. SIMPSON. Thank you. Appreciate it.

Ms. McCARTHY. It is a good way to end.

TIMELY RESPONSE TO CONGRESSIONAL INQUIRIES

Mr. CALVERT. Thank you. If there are no further questions.

One last comment. A number of House committees remain frustrated with EPA's lack of compliance with document requests and subpoenas. Specifically, the House Oversight Committee has asked that at least two outstanding subpoenas, one related to the Pebble Mine, the other concerning EPA emails referring to Congressional requests for information, as well as an outstanding request for documents related to John Beale.

Also, your Office of Congressional Affairs is preventing the Science Advisory Board from responding to your requests for information that was mentioned earlier from the House Science Committee.

As the Committee continues to consider funding, we would like to have your commitment to fully and timely comply with these requests for documents and information from the House.

Ms. McCARTHY. You have my full commitment that we will be responding to these issues, if you feel that we haven't already. And we have been producing significant amounts of documents in a timely way and will continue do that.

Mr. CALVERT. Thank you. And with that, this hearing is adjourned.

Thank you for your time.

Ms. McCARTHY. Thank you very much.

U.S. House of Representatives
Committee on Appropriations
Subcommittee on Interior, Environment, and Related Agencies
Budget Hearing: Environmental Protection Agency
March 27, 2014
2359 Rayburn HOB

Questions for the Record -- Administrator

Questions from Mr. Calvert

Waters of the United States/ "Navigable Waters"

The rule recently proposed by EPA on Waters of the United States would expand the ability of the Federal government to regulate nearly every water body in the United States. Where previously there were questions about the role of States vs. the Federal government in ensuring clean waterways, EPA's rule proposes to eliminate many of those questions. The certainty EPA claims the rule offers is the certainty that EPA will assert its control over State's rights and require more Federal permits. It is often one thing to share two different perspectives on a policy. However, EPA's claim that *"the proposed rule will not add to or expand the scope of waters historically protected under the Clean Water Act"* is entirely misleading. The only way that EPA can justify this claim is by assuming that Supreme Court decisions in 2001 and 2006 never happened. Prior to those court decisions, EPA believed it had the jurisdiction to regulate nearly every water body under the Clean Water Act. When the Supreme Court disagreed, EPA was forced to re-evaluate the State role with respect to water rights. That is why it is unfortunate that this proposal proves to be the greatest bureaucratic expansion of Federal control over land and water resources in the 42-year history of the Clean Water Act. The amount of acreage subject to EPA's jurisdiction will expand exponentially as more waterways are subject to permitting, and the amount of uncertainty and the lack of prepared cost estimates associated with this rule are alarming.

While the Agency has stated that the rule would not be issued until the Connectivity study has been finalized, however the Connectivity study has yet to be peer-reviewed by the Science Advisory Board.

Calvert Q1: Is it important for the Agency's regulatory promulgation to be based on science? If so, what is the justification for moving forward with the expansion of the scope of Waters of the U.S. before the Connectivity Study is completed and undergone peer review?

> **Answer**: We agree that it is essential for the Agency's regulatory promulgation to reflect the most current relevant science. In the case of the proposed rulemaking for the definition of "waters of the U.S." under the Clean Water Act (CWA), the EPA's Draft Connectivity Report ("Connectivity of Streams and Wetlands to Downstream Waters: A Review and Synthesis of the Scientific Evidence") provides a review and synthesis of the published, peer-reviewed scientific literature regarding the effects that streams, wetlands, and open waters have on larger downstream waters such as rivers, lakes, estuaries, and

oceans. The draft report has already undergone both internal and external peer review, and is now being reviewed by the EPA's independent Science Advisory Board (SAB). The SAB published its draft peer review on April 1 and held public meetings to discuss the draft review on April 28 and May 2. The SAB expects to issue a final peer review report later in 2014. The EPA has committed that the rule will not be finalized until the SAB review and the final Connectivity Report are complete.

Calvert Q2: There is no doubt that a definition of the Kennedy test of significant nexus is extremely difficult to define. Has the Agency considered contracting with an outside body such as the National Academy of Sciences to assist EPA in scientifically defining how the federal government should define "connectivity" or a "significant nexus" between waters? If so, what was the result of those discussions?

Answer: As noted in response to your previous question, the agency believes it is critical for its rulemaking efforts to reflect the best science. To help do this, the agency developed a draft report that synthesizes available peer-reviewed literature, which is receiving extensive independent peer review by the agency's Science Advisory Board (SAB). The agency believes that the SAB review process will provide sufficient independent external review of the agency's scientific work, and thus the agency has not specifically considered any additional process for obtaining such review with an outside body such as the National Academy of Sciences

While the stated intent of the proposed rule is to minimize uncertainty of interpretation of federal authority under the Section 404 wetlands permitting program, it seems that it will increase uncertainty for other Clean Water Act programs.

Calvert Q3: What is the process by which EPA and the Corps will follow to initiate a significant nexus test? Can anyone request a jurisdictional determination? Will the owner/operator need to ask for a jurisdictional determination? Will a permit need to be requested?

Answer: Most questions regarding Clean Water Act (CWA) jurisdiction arise in the context of the Section 404 program, and the Corps of Engineers (Corps) has primary responsibility for determining jurisdiction in this context. Under the policy contained in the proposed rule, only waters that fall in the "other waters" category would be subject to an individual significant nexus evaluation. When a CWA Section 404 permit applicant, i.e., a landowner or other party that has realty interest in the property, requests from the Corps a jurisdictional determination for a waterbody that falls within the "other waters" category in the proposed rule, the Corps would perform a significant nexus evaluation to determine its jurisdiction. Only an applicant, as previously defined, can request a jurisdictional determination. If the applicant proposes to discharge dredged or fill material into waters of the U.S., it is the applicant's responsibility to request and obtain a permit under Section 404 of the Clean Water Act, providing the activity is not exempt under another section of the Act. If the applicant is uncertain whether the water is a waters of the U.S., the applicant could ask the Corps to conduct a jurisdictional determination before submitting a permit application, or could simply apply for the

permit without asking for the determination.

Calvert Q4: What is the estimate of the additional resources, both in funding and in staffing, that will be needed to administer and enforce this rule?

Answer: The U.S. Army Corps of Engineers, which is the agency that processes and issues these permit applications, estimates the administrative cost of these additional permits to range from $7.4 to $11.2 million, annually. This information is documented in "Economic Analysis of Proposed Revised Definition of Waters of the United States," September 2013, which is in the docket for the proposed Waters of the U.S. rule. The EPA develops and interprets the environmental criteria used in evaluating permit applications, which can vary in cost depending upon the complexity of a permit, so quantifying EPA costs would be much more challenging.

The agencies believe the proposed rule will reduce some existing permitting costs and expedite the permit review process by clarifying determinations of Clean Water Act jurisdiction, which has been time-consuming and resource intensive for field staff and the regulated community since the Supreme Court decisions in SWANCC (2001) and Rapanos (2006). The two Supreme Court cases and subsequent guidance have often required agency staff to spend resources to understand and apply complex jurisdictional standards. The uncertainty surrounding jurisdictional questions has increased the paperwork, costs, and time associated with jurisdictional determinations.

Calvert Q5: What is the Agency's, or the Corps', estimate for how many additional permits will be issued under the rule?

Answer: The EPA estimates that approximately 75 additional Clean Water Act Section 404 individual permits and 1,300 additional applications for coverage under general permits would be required annually on a nationwide basis if the agencies' proposed rule were finalized in its current form. This information is documented in "Economic Analysis of Proposed Revised Definition of Waters of the United States," September 2013, which is in the docket for the proposed Waters of the U.S. rule. The agency invites comments on this document as part of the public comment period on the proposed rule.

Calvert Q6: The proposed rule defines all waters within a floodplain or a riparian area as waters of the U.S.; however, the rule does not clearly define what the boundaries would be of a floodplain or a riparian area. Recognizing that FEMA spends over $100 million each year mapping floodplains, and that no federal agency maps riparian areas, what resources does EPA have to map these areas? What will the costs be to EPA if you chose to designate floodplains differently than FEMA's 100-year floodplain?

Answer: To implement this part of the proposed rule, assuming it remains in the final rule, the Corps and the EPA would use existing tools, including aerial photographs, topographic maps, USGS data, LIDAR if available, and best professional judgment to determine the appropriate floodplain or riparian area to be used in the adjacency determination. In some cases, this would require the Corps and the EPA to conduct an investigation on the property and assess field indicators to make the determination. There

is no need for the Corps or the EPA to map new floodplains or riparian areas, since a determination would only be required when a particular project might lead to a discharge within a floodplain or riparian area, and we would not request resources to do so. In the proposed rule, the agencies requested comment on a variety of issues related to the use of floodplains or riparian areas in defining adjacency, and will carefully consider public comment on these issues before finalizing the rule.

Calvert Q7: The proposed rule defines all tributaries as waters of the U.S. Federal and state governments operate water delivery systems such as the Central Arizona Project, the Central Utah Project, the California Aqueduct, and the Colorado River Aqueduct that clearly fit the rule's proposed definition as a tributary since they have a bed, a bank, an ordinary high water mark, and they conduct flow to other waters of the U.S. What will be the impact of this proposed rule on these water delivery systems? What will be the cost implications to yours and other federal agencies that must regulate these systems as waters of the U.S.?

Answer: The proposed rule does not expand the existing jurisdictional reach of the Clean Water Act with respect to water delivery systems. Currently, not all water delivery systems are considered covered by the Clean Water Act, and the proposed rule will not change the status of water delivery systems.

Diesel Emissions Reductions (DERA) Grants

The DERA program is a successful, bi-partisan program that initially started with the replacement of school bus engines under the Clean School Bus program. It expanded to include the retrofitting of many other diesel engines, including construction equipment.

In 2012 the Administration proposed to eliminate the diesel emissions grants, or DERA grants. This proposal was met with significant opposition as the program provides $13 of economic benefit per Federal dollar, the retrofit technology supported by DERA reduces black carbon emissions by 90 percent and projections estimate that nearly 2,000 lives will be saved by 2017 as a result of this funding. The program has achieved real pollution reductions without the need for heavy-handed, top-down regulations along with the ability to leverage private investment three-to-one. Ultimately DERA funding was restored to $30 million in the 2012 bill. Last year, the Administration proposed to cut the grants to $6 million and the Omnibus restored the funding to $20 million. Here again in fiscal year 2015 the Administration proposes to eliminate the program.

Calvert Q8: Given the large demand for these grants and the lower fleet turnover, why has the Administration proposed to eliminate the program in FY2015?

Answer: The EPA must make difficult choices to prioritize its activities. While the DERA grants accelerate the pace at which dirty engines are retired or retrofitted, pollution emissions from the legacy fleet will be reduced over time without additional DERA funding as portions of the fleet turnover and are replaced with new engines that meet modern emission standards. However, even with attrition through fleet turnover, approximately 1.5 million old diesel engines would still remain in use in 2030. Ongoing

projects will continue to clean the air and support jobs during FY 2015, as the Agency continues to support and administer projects that have already received funding.

At least $2 million annually has been used for a demonstration of the rebate authority for school bus replacements. This was highly successful and EPA had roughly 1,000 applications submitted in fiscal year 2012.

Calvert Q9: In what way is the rebate model a more efficient or preferred approach to the old system of direct grants to states?

Answer: The Diesel Emissions Reduction program has provided immediate emission reductions from existing diesel engines to communities across the nation through engine retrofits, rebuilds and replacements; switching to cleaner fuels; idling reduction strategies; and other clean diesel strategies. To date, the program has awarded grants to over 600 communities and States to reduce nitrogen oxides (NOx) and particulate matter (PM), which contribute to serious public health problems.

In FY 2013, the Agency piloted a new approach that utilizes a rebate program to target specific fleets. Of the FY 2012 funding, $2 million was used for a demonstration of the rebate authority for school bus replacements, and EPA received over 1,000 applicants requesting over $70 million in funds to replace more than 2,800 older diesel buses. Of those, 28 communities were selected and 76 older buses were replaced with new post-model-year 2010 clean buses. Benefits of the rebate approach were simplicity and efficiency for the applying fleets and a time savings of an average of 18 months over typical grants. In addition, through the rebate mechanism, the Agency is able to precisely target funding toward the dirtiest, most polluting engines in specific locations. Certain bands of engine model years and pollution control strategies yielding the most cost-effective emissions reductions can be specified.

Grants, on the other hand, promote capacity-building at the local level while also trying to hone in on the most cost-beneficial projects. The direct grants to States are best utilized to retrofit a whole fleet of diesel-powered vehicles. The Agency believes that both grants and rebates have played an important role in eliminating emissions from engines in the diesel legacy fleet.

Stormwater

The 2013 proposed updated MSGP permit seems to indicate that the Agency is moving away from using the traditional best management practice methodology and encouraging the use of numeric effluent limits. Many permitted businesses have expressed serious concerns with this national movement. Also, Individual state permitting authorities have indicated that EPA headquarters has encouraged them to adopt numeric effluent limits instead of relying on BMPs to control stormwater pollutants.

Calvert Q10: Can you please comment on the proposed permit? What is EPA's plan for continued measurement of stormwater pollutants under the National Pollutant Discharge Elimination System (NPDES)?

Answer: EPA proposed the reissuance of the Multi-Sector General Permit (MSGP) on September 27, 2013, and is currently considering the comments it received. The proposed permit contains essentially the same effluent limits as the previous versions. These effluent limits require the implementation of technology-based controls (i.e., best management practices or BMPs). When EPA issues an effluent limitation guideline (ELG) or a New Source Performance Standard (NSPS) that applies to stormwater discharges, such requirements must be incorporated into the permit. Newly applicable to this MSGP is the Airport Deicing ELG, which contains a numeric effluent limitation for urea, an infrequently used runway deicer. As explained in the final ELG, EPA expects that in most cases operators would choose to substitute a non-urea based deicer, as such substitutes are readily available at reasonable cost, and thus avoid the need to comply with the numeric limit. No other new numeric limits have been proposed. The proposed MSGP included the same monitoring requirements as in previous versions (save for adding a saline receiving water correction), but EPA did solicit comments on modifying these requirements. One of the carryover monitoring requirements affects facilities that discharge to impaired waters. These facilities must take a yearly sample for the pollutant(s) that cause the impairment. The MSGP's other main monitoring requirement, affecting about half of all EPA's industrial permittees, involves "benchmark" monitoring. If the four-sample average level of a specific pollutant exceeds a benchmark level, the facility must evaluate its BMPs to determine if adjustments can be made to lower the level of the pollutant. Exceedance of a benchmark level is not a permit violation. The MSGP also includes provisions that allow permittees to discontinue monitoring.

Calvert Q11: EPA has recently proposed to require NPDES- regulated industries to submit stormwater permits electronically to permitting authorities. What safeguards is EPA considering to ensure that this data, which will be available to the public, is not used to fuel frivolous legal action?

Answer: The proposed NPDES Electronic Reporting rule is an important milestone for the NPDES program and will save time and resources for permittees, states, tribes, and EPA while improving compliance and providing better protection of the Nation's waters. The proposed rule will require facilities seeking permit coverage under a general permit to electronically file a Notice of Intent (NOI), which will enable states to more efficiently process these forms. Facilities seeking an individual NPDES permit will not need to electronically submit their application. It is important to note that the efficiencies created by the proposed rule do not change the public nature of the data on these NOIs or individual permit applications. In particular, the proposed rule does not add any new reporting requirements or change the public nature of the data. Data on NPDES permit applications are publicly available pursuant to CWA section 402(j), 33 USC 1342(j), which requires that "[a] copy of each [NPDES] permit application and each [NPDES] permit ...be available to the public. Such permit application or permit, or portion thereof, shall further be available on request for the purpose of reproduction." In addition, CWA section 402, 33 USC 1342(a)(1), (b)(3), requires that any permits only be issued following a public hearing, and that states implementing NPDES programs provide for "public ... notice of each application for a permit and [] provide an opportunity for public hearing before a ruling on each such application." Consequently, there are no restrictions

to these NPDES permit application data, and electronic reporting itself has no bearing on the availability of the data to the public. In addition, the EPA requested comment in the proposed rule on the issue of how best to satisfy these disclosure requirements in the context of electronic reporting and will carefully consider public comment before finalizing the rule.

Calvert Q12: In the proposed electronic reporting rule the Agency offered the possibility of a second rulemaking to address these very concerns. What is the status?

Answer: In the proposed NPDES Electronic Reporting Rule, the Agency gave notice that it might open up a second comment period. This supplemental notice would be an opportunity for the EPA to identify issues, clarify elements of the proposed rule, and discuss options for how the EPA might modify the rule to address issues raised by stakeholders in response to the Notice of Proposed Rulemaking. The Agency anticipates the release of this supplemental notice later this summer.

Calvert Q13: When Agencies enter into voluntary settlement agreements with private parties to issue specific rulemaking requirements, the practice severely undercuts public participation in the process. What voice does the public have prior to EPA agreeing to the terms of a settlement agreement, and does the Agency believe that this is sufficient? How does the Agency ensure public participation under the terms of a settlement agreement?

Answer: Each settlement agreement is the result of a negotiation between opposing parties, with the Department of Justice (DOJ) representing the Environmental Protection Agency (EPA) and the interests of the United States. In many cases, the agreements also go out for public comment, and are entered by a court only upon a finding that the terms are fair, reasonable, and in the public interest, and that the overall resolution is consistent with the underlying statute and allegations.

The EPA does not and will not commit in a settlement agreement to any final, substantive outcome in a rulemaking or other decision making process. Rather, in EPA rulemaking, there is an extensive and robust public process, designed specifically to provide for input and participation. The Administrative Procedure Act (APA) requires the Agency to provide public notice and an opportunity for comment on all proposed rules. This opportunity to comment is open to any interested party and comments submitted are carefully considered and often significantly shape the final rule. It is after the conclusion of that public process that Agency would publish a final rule.

Bristol Bay/Pebble Mine Watershed Study

For the past few years the Committee had been asking for information -- for a table -- that shows how much the Agency has spent on the Pebble Mine/Bristol Bay watershed study. This study was not directed by Congress and the Agency had not requested funding from Congress to conduct the study. Last year EPA provided a table in response to questions for the record, indicating that $2.4 million had been spent between fiscal year 2011 and 2013 on the watershed assessment.

The Agency's response also indicated that budget requests from fiscal year 2011 to 2014 did not explicitly identify resource levels for the Bristol Bay work. The Agency response also indicated that since the project was funded within existing authority and appropriated funding, that EPA did not need to identify an offset or request a reprogramming from Congress in order to undertake the work.

Calvert Q14: The budget justification highlights the amount of funding for several other studies and funding for hundreds of other activities. Why has this study not been identified in prior budget justifications? Why has this study been treated differently from those other programs?

> **Answer:** Funding for watershed studies, such as the Bristol Bay Watershed Assessment, is included in the *Wetlands, Surface Water Protection,* and *Research: Safe and Sustainable Water Resources* program/projects (FY 2014 justifications beginning on p. 529, p. 553, and p. 157, respectively). The EPA has broad authority to conduct this type of work under CWA Section 104.
>
> Assessments of watershed research, including Bristol Bay, are encompassed in general congressional justification language. For example, the following language is included in the Research: Safe and Sustainable Water Resources FY 2014 President's Budget justification language:
>
> > "Developing approaches to assess watershed integrity, resilience and restoration potential by establishing key watershed indicators;
> > Using a systems-based approach to investigate methods for sustaining water quality in watersheds;
> > Continuing to study the social, economic, human health and environmental impacts of water quality degradation;"

Calvert Q15: How much funding has been spent in fiscal year 2014 on the Bristol Bay assessment? Please provide an update to the table that the Agency provided for the record last year that includes any FY14 amounts?

> **Answer:** The EPA coordinated with federal, state, and local partners to conduct a comprehensive scientific analysis of the Bristol Bay watershed to better understand how future large-scale mining may affect water quality and the Bristol Bay salmon fishery. The EPA issued a final assessment on January 15, 2014. Although the assessment was released in January 2014, assessment activities were completed in March 2014, including final formatting and the release of over 1,100 pages of responses to public comments of the draft reports.

As of May 2014 (Non-payroll Dollars in Thousands):

Appropriation Account	Program Area	Program/Project	FY 2011	FY 2012	FY 2013	FY 2014	Total**
EPM	Water Quality Protection	Surface Water Protection	$123	$247	$247	$26	$644
EPM	Water: Ecosystems	Wetlands	$734	$331	$110	$ -	$1,175
S&T	Research: Safe and Sustainable Water Resources*	Research: Safe and Sustainable Water Resources	$8	$363	$504	$88	$962
S&T	Research: Chemical Safety and Sustainability	Human Health Risk Assessment	$ -	$ -	$ -	$11	$11
Total:**			**$865**	**$941**	**$861**	**$125**	**$ 2,792**

*EPA's Research and Development program changed its budget structure in FY 2012. Resources associated with the old structure have been consolidated into the new structure.

** Totals may not add due to rounding.

Calvert Q16: Has the Agency requested funding in the fiscal year 2015 budget for the Bristol Bay assessment? If so, please provide a reference to where the funding is requested in the FY15 congressional justification.

Answer: No, the Agency's FY 2015 request does not include funding for the Bristol Bay assessment because it was completed in January 2014.

Hydraulic Fracturing Study

There is concern that the hydraulic fracturing study that EPA has been working on now for over four years has gone beyond Congressional intent and has expanded in scope. The request from this Subcommittee in FY 2010 was for EPA to determine whether there is a link between hydraulic fracturing and drinking water. Yet four years and $25 million later, the Agency has developed several new research areas and may have more than thirty separate reports as part of this study. Rather than a study, this now seems to be an entire research program within the Office of Research and Development.

Calvert Q17: EPA's FY 2015 budget requests an additional $6.1 million for the study to determine whether there is a relationship between drinking water and hydraulic fracturing. Why is the $25 million that EPA has received to date an inadequate amount to complete the study?

> **Answer:** This question was not answered by the Environmental Protection Agency and returned to the Subcommittee in time for inclusion into the public record.

Calvert Q18: If the draft study is expected to be released in December 2014, then EPA's primary responsibility will be to respond to comments in FY15. Will it require $6.1 million to respond to comments?

> **Answer:** This question was not answered by the Environmental Protection Agency and returned to the Subcommittee in time for inclusion into the public record.

Calvert Q19: In FY 2010, the subcommittee requested two other studies that were both completed within two years and for less than $1 million each. Those were also complex studies on Black Carbon and on the economic impacts of the Category 3 Marine rule on the Great Lakes. Why has this hydraulic fracturing study been so much more expensive for the American taxpayer and taken twice as long?

> **Answer:** This question was not answered by the Environmental Protection Agency and returned to the Subcommittee in time for inclusion into the public record.

There is also concern that the study will be released before there is a peer review by the Science Advisory Board. It is my understanding that EPA plans to release the study to the public at the same time it is submitted for peer review.

Calvert Q20: What is the current timeframe for the SAB peer review and for the release of the study?

> **Answer:** This question was not answered by the Environmental Protection Agency and returned to the Subcommittee in time for inclusion into the public record.

Rural Water Technical Assistance Grants

The 2012 Omnibus included $15 million to establish a competitive grant program wherein entities that provide technical assistance to small or rural water utilities, or to private well owners, have an opportunity to compete for funds to assist these communities with understanding and complying with EPA water regulations. EPA has not included funding in the President's budget for these grants, and it seems that the Administration is prioritizing accelerated regulation over working with communities to understand their needs and challenges. It also seems like the Administration is cutting successful, bi-partisan programs knowing that Congress will restore the funding. In doing so, this allows the Administration to propose other new programs that we just don't have the funding to pay for in a constrained budget environment.

Calvert Q21: Why it is not a top priority for the Administration to fund these technical assistance programs that help communities keep up with, and understand the impacts and requirements in the EPA's water regulations, particularly as the Agency continues to propose more regulations?

> **Answer:** Assisting small and rural communities in compliance with water regulations is very much a priority for this Administration. EPA's FY 2015 budget does request $757 million for the Drinking Water State Revolving Fund (DWSRF) program, which can be used to provide special assistance to systems serving 10,000 or fewer customers. For example, States are required to provide a minimum of 15 percent of the funds available for loan assistance to small systems to help address infrastructure needs.
>
> In addition, the Agency strongly supports state use of Public Water System Supervision (PWSS) funds and the Drinking Water State Revolving Fund 2 percent small system technical assistance set-aside to provide assistance to small and rural water systems. The 2 percent DWSRF set-aside is used by nearly every state to support their small systems and several states use these funds for non-profit state affiliates.
>
> EPA's small system approach works to focus state and Federal technical and infrastructure resources to assist small and rural water systems. The Agency continues to believe that states are best positioned to develop technical assistance plans for their water systems and the funds available via the DWSRF and PWSS grants allow them to do so.

e-Enterprise and e-Manifest

In order to assist in the workforce transition, EPA has proposed a $61 million e-Enterprise initiative, which offers a menu of technological options for increasing efficiency with States and the regulated community. The Subcommittee will want to hear from both the States and business community in order to better understand how this initiative may help them reduce their reporting burden and meet various legal requirements. It is also critical that Congress understands the three- or five- year plan for these investments.

Calvert Q22: In a constrained environment, what may be the top two or three e-Enterprise projects that would produce the greatest immediate return on investment? In what ways would States, EPA or the regulated community realize those benefits?

Answer: E-Enterprise is a new business model that will modernize our nation's environmental programs. While the basic intent is to allow electronic transactions, streamlined implementation and reduced costs for all, the more important foundational principle is following a new joint decision making process with states to reduce duplication through coordinated investments and economies of scale. A further benefit is increased transparency as the public will have access to real time data about their environment and industries will be able to save money as they may be able to monitor their operations at a lower cost and find ways to capture lost product or feedstock chemicals that were escaping as pollution. It will modernize a full range of interactions between industry, EPA and states.

It is vital that EPA make an initial time investment in conducting a cross-state, cross-program and interagency analysis to identify the best practices and technologies that states already have in place and to understand the specific challenges of individual states and regulated communities. E-Enterprise should not be a menu of independent technological investment options, but rather a coordinated effort to manage a portfolio of what are inherently interrelated investments.

The initiative aligns the Agency with federal-wide policy initiatives for regulatory and technological reform. Source regulations are being evaluated at both the federal and state levels with the explicit intent to reduce burdens on the regulated community and the agencies. Existing processes and systems are being evaluated for best practices, and the best will be promoted or further developed as shared services with the intent to optimize resources for all involved. Program offices will be required to use shared services when possible, and investments will be prioritized for those systems that have the highest potential to reduce burden and effect cost savings.

Through joint governance and joint program analysis, the EPA, states and tribes are well along in this process of looking across the federal and state enterprise of environmental protection and systematically identifying opportunities for efficiency gains and burden reduction. The following are examples of work already underway where E-Enterprise will have an immediate, quantifiable impact:

1. Data collection under the National Pollution Discharge Elimination System (NPDES) contributes over 21 million hours of burden. The program is one of the foundational projects that is aligning with E-Enterprise, and the improvements and expansions to their system will help to reduce that overall burden by 914,000 hours annually. Conversion of NPDES discharge data to e-reporting will save states about $29 million annually.
2. Consolidation and simplification of fuels reporting by industry under the Office of Air and Radiation. Through improved fuel electronic reporting, industries will save 170,000 hours annually. EPA will transform 66 reports to a single web-form report.

3. Implementation of electronic manifest program (E-Manifest) for industries transporting hazardous wastes that are regulated under RCRA. EPA estimates that the e-Manifest system will reduce the reporting costs to manifest users by more than $75 million per year over the current paper-based manifest system.

While these projects are getting underway and organizational processes are being formalized, the EPA, states, and tribes have been identifying the next set of opportunities for immediate progress. In FY 2014 the states and EPA started an evaluation of a set of joint programs and projects that would yield the highest return on investment and contribute to the strategic goals of E-Enterprise. Over 80 projects were brought forward by the states and agencies for consideration. Selection of the highest priority projects is imminent and implementation can commence in FY 2015.

Calvert Q23: The e-Manifest system will significantly reduce paper recordkeeping costs in the regulated community for hazardous wastes by relying on an electronic tracking system similar to what UPS and FedEx have been using for years. It is a program that should have been built long ago. However, there have always been concerns about the cost and how to pay for it. The budget proposes $10.4 million to build the system, which is greater than the original EPA estimates for the entire cost of the program (original estimate: $6-8 million). Please explain why the program is already over budget in year two?

Answer: EPA is not over budget for its e-Manifest development efforts. EPA's internal estimates in the 2013 Alternatives Analysis yielded system development costs of approximately $16 million over three years. EPA provided that estimated cost during a June 2012 hearing before the House Committee on Energy and Commerce. In addition, in August 2012, the Congressional Budget Office estimated that over a five year period EPA would spend approximately $15 million to create the electronic e-Manifest system.

These system development costs entail developing and building the full national core transactional IT system that industry would interact with and that would maintain the mobile workflow as shipments move from one place to another. This is a complex national IT system, for approximately 160,000 hazardous waste handlers, including between 4.6 and 5.6 million manifests each year. The benefits realized from the development of an e-Manifest system are significant. EPA estimates that that an e-Manifest system will reduce the reporting costs to users by more than $75 million per year compared with costs of the current paper manifest system.

In FY 2014, Congress appropriated $3.67 million for e-Manifest and the agency is making significant progress on regulatory development and pre-system planning including developing detailed e-Manifest System technical architecture plans. The $10.4 million requested in FY 2015 President's Budget will allow the award of one or more contract(s) to initiate developing and building the national system. Maintaining the planned development schedule is essential to containing overall costs. In addition to IT system development costs (i.e. $16M 2013 Alternatives Analysis referenced above), the FY 2015 request includes personnel and extramural costs associated with developing the regulatory and Advisory Board requirements of the e-Manifest Act, which must be

funded from the dedicated e-Manifest appropriation as directed by the FY 2014 consolidated appropriation act.

Calvert Q24: In fiscal year 2013, the Subcommittee approved a reprogramming to initiate work on the e-Manifest project. EPA's Congressional Justification shows that no expenditures were logged in fiscal year 2013. Why was a reprogramming necessary in fiscal year 2013 if the Agency did not intend to spend those funds?

Answer: The Agency did incur spending for the project during FY 2013, however that spending could not be attributed to the new Hazardous Waste Electronic Manifest System Fund (e-Manifest) account as the appropriation for the account had yet to be established. Instead, e-Manifest spending occurred under the existing Environmental Programs and Management (EPM) account. The new e-Manifest project account was established in 2014 with the enactment of FY 2014 Consolidated Appropriation Act.

The EPA FY 2013 Congressional Justification requested $2 million for the e-Manifest project under EPM. The FY 2013 Enacted Continuing Resolution did not provide any funding for this project. In order to move forward with the e-Manifest project, the Agency determined a Congressional Reprogramming of the EPM appropriation was necessary to enable spending for the project.

e-Enterprise and Enforcement

EPA's budget documents indicate that the Agency is "pursuing justice" for Gulf residents and EPA actions have resulted in civil penalties to "punish misconduct". This offers a window of insight into EPA's view of its relationship with the public. The Agency also notes EPA collected $2.6 billion in penalties, the highest amount ever despite fewer inspections and civil case initiations, which the Agency attributes to budget cuts. Nevertheless EPA's enforcement budget proposes 76 fewer FTE along with a $22 million increase largely for e-Enterprise activities.

Calvert Q25: On one hand this proposal reflects EPA's use of technology to increase the efficiency of EPA personnel through the e-Enterprise initiative. However, others may view the e-Enterprise initiative as an initiative to increase enforcement actions. Have regulated entities expressed support for components of the e-Enterprise initiative, beyond the broad support for the e-Manifest system? If so, please provide any letters of support or other correspondence for the record.

Answer: The E-Enterprise initiative is not designed to increase enforcement actions. Rather E-Enterprise is a collaborative initiative between the states and EPA to modernize communication on environmental performance and enhance services to the regulated community, environmental agencies, and the public. E-Enterprise will increase transparency and efficiency, develop new environmental management approaches, and employ advanced information and monitoring technologies in a coordinated effort to manage and modernize environmental programs. While industry does support moving from paper-based reporting to electronic systems, we have not yet reached out to the regulated community specifically on E-Enterprise. The states and EPA recently

completed the E-Enterprise Conceptual Blueprint, which sets forth next steps, including engagement with the business community. The E-Enterprise Conceptual Blueprint can be found at http://www.exchangenetwork.net/e-enterprise/

The EPA intends to engage the public on many aspects of the E-Enterprise initiative and will seek to obtain input on instances of cumulative regulatory burden so we can focus our efforts on harmonizing source rules and streamlining the implementation of regulatory transactions. Until an outreach plan is formalized, public comments will be drawn from individual rulemakings associated with E-Enterprise projects. Selected comments from two rulemakings are included below:

One of the key pilot projects for E-Enterprise will be streamlined fuels reporting under 40 C.F.R. Parts 79 and 80. The Agency recently finalized a rule that consolidated reporting dates and committed to the development of a streamlined reporting form. Public comments from that rulemaking shown below have been extracted from the Summary and Analysis of Comments (EPA-420-R-14-004). The source document is available at http://www.epa.gov/otaq/documents/tier3/420r14004.pdf. We are not aware of any negative comments against a unified reporting form.

Chevron Products Company

Chevron supports the reduced reporting requirements for reformulated gasoline and EPA's focus on simplifying reporting to those elements critical to compliance. We strongly encourage EPA's notion of performing a comprehensive restructuring of the Part 79 and 80 regulations to improve comprehension, reduce compliance costs and simplify reporting. Identifying all of the various opportunities for consolidation and simplification would go well beyond the timing and scope of this rulemaking but we encourage EPA to immediately form a working group with industry representatives to pursue a follow-up rulemaking with the goal of proposing regulatory updates by the first quarter of 2014. [EPA-420-R-14-004, p. 6-22]

Chevron is very much in favor of EPA's proposal to align reporting dates between the various Part 80 programs and appreciates the extension of fourth quarter and annual reporting deadlines to March 31. We recommend that EPA should extend the attest engagement deadlines by an additional month from May 31 to June 30 to allow sufficient time for the significant data-gathering and back-and-forth communications required to complete those engagements. While it may be possible to begin some of this work ahead of the new reporting deadlines, it is much more effective to focus on the reporting itself before shifting to the attest activities. We believe that extending these annual deadlines will significantly reduce the risk of error and rework in annual compliance reporting. [EPA-420-R-14-004, p. 6-12]

Marathon Petroleum Company

EPA has made regulatory streamlining a priority and we appreciate the Agency's efforts. We agree that regulatory streamlining will result in more efficient and less costly

compliance. We support the elimination of unnecessary and outdated provisions. These provisions are independent of Tier 3 and should be promulgated in a final rule earlier than the Tier 3 final rule. We agree with the Agency that these are straightforward and should be implemented quickly. [EPA-420-R-14-004 p. 6-1]

Phillips 66 Company

We are appreciative of the effort to streamline various portions of existing regulations. With changes over time, there are several areas that need "clean-up" and this effort will reduce confusion and burden on the regulatory parties. We offer the following comments on the proposed revisions as well as suggestions for other provisions that we feel would add value and should be considered. [EPA-420-R-14-004, p. 6-2]

Change in reporting dates – Overall, the concept of aligning the various reporting dates and being able to develop a unified and simplified reporting form is a good one. Providing additional time is beneficial. We appreciate the Agency providing this change. [EPA-420-R-14-004, p. 6-13]

Another of the key pilot projects for E-Enterprise will be the NPDES Electronic Reporting Rule under 40 C.F.R. Parts 122, 123, 127, 403, 501, and 503. The Agency published the proposed rule in the *Federal Register* on July 30, 2013, received and compiled 170 sets of public comments, and recently sent a draft supplemental Federal Register notice to OMB for review. Comments received during the public comment period for that proposed rule are available from the docket, at Docket ID No. EPA-HQ-OECA-2009-0274. Several comments were supportive of the concept of electronic reporting, as reflected in the examples below:

Massachusetts Water Resources Authority (MWRA)

MWRA appreciates that the proposed rule [NPDES Electronic Reporting Rule] will allow EPA to obtain, and provide to the public, a more complete picture of NPDES discharges – one that includes small as well as large discharges. Electronic data collection has the potential to reduce the errors in ICIS-NPDES and also allow errors to be corrected in a more timely way. In summary, MWRA generally supports the idea of phased-in electronic reporting, provided data can be accompanied by qualifying comments. Document No. EPA-HQ-OECA-2009-0274-0263-A2.

Metropolitan Sewer District of St. Louis (MSD)

In general MSD supports the purpose of the rule [NPDES Electronic Reporting Rule] in moving to electronic reporting for many NPDES related activities. We agree that electronic reporting will likely provide for better data recording and management by EPA and authorized states, tribes, or territories. Some portions of the proposed rule will also support communities like MSD in their continued efforts in transparency and to provide the public with uncomplicated access to quality information which is free of

errors due to multiple data entry points. Document No. EPA-HQ-OECA-2009-0274-0364-A2.

North East Biosolids & Residuals Association (NEBRA)

We support the overall concept of the proposed rule [NPDES Electronic Reporting Rule] and agree that, if implemented thoroughly with considerable support, it might achieve the benefits stated in the *Federal Register* discussion. The increased availability of data would serve to enhance public understanding of wastewater treatment and biosolids management...NEBRA feels that the proposed rule merits further consideration, but that the details of the proposed electronic reporting system are critically important and will determine whether or not the system is a success. Document No. EPA-HQ-OECA-2009-0274-0288-A1.

United States Steel

U. S. Steel generally supports the rule [NPDES Electronic Reporting Rule] and its goals, such as publically sharing discharge information, improving the Agency's decision making capabilities, and enhancing Agency resources through minimizing expenditures for monthly reporting. Document No. EPA-HQ-OECA-2009-0274-0268-A2.

Monthly Reports on Section 404 Permits

The Fiscal Year 2014 Omnibus directed EPA to report monthly on the number of Section 404 permits under EPA's review including the date received, the number of days each permit has been under review, the "DA number", the permittee, the project name, the permit type, geographical information (county and State), and where action was taken on a permit the report should include disposition of each permit, and the date issued or remanded. The information requested aligned with a table the Agency provided following the FY13 budget hearing when a table was requested by the Committee. Nevertheless, the Agency has yet to submit the required reports for February and March.

Calvert Q26: Why has the Agency failed to meet the deadlines for February and March, and when will the Agency submit the required reports?

Answer: The EPA and the Army Corps of Engineers worked on this report. The first report was delivered to the Hill on May 16, 2014 and identified the permits that the EPA reviewed and commented upon in the first quarter of FY 2014.

Calvert Q27: Please provide for the record all monthly reports due to the Committee that have not been submitted as of the time of EPA's response to questions for the record.

Answer: Subsequent reports will be sent following coordination between EPA and the Corps and after OMB review.

Formaldehyde Rule/Regulation

Calvert Q28: What is the anticipated timing for completing work on the regulations for Formaldehyde emissions in composite wood products?

Answer: Since proposing the rules to implement the Formaldehyde Standards for Composite Wood Products Act (TSCA Title VI) on June 10, 2013 (78 FR 34795 and 78 FR 34820), the U.S. Environmental Protection Agency (EPA) has twice granted extensions to public comment periods for both proposals, as requested by numerous commenters. In addition, the EPA, on April 8, 2014 (79 FR 19305) reopened until May 8, 2014, the comment period for the proposed rule to implement TSCA Title VI emission standards (78 FR 34820) to seek additional public input regarding potential modifications to the Agency's proposed treatment of laminated products. The EPA also announced a public meeting, held April 28, 2014, to provide opportunity for further public comment on this set of issues. Based on input from public meeting participants, the EPA extended the comment period related to the treatment of laminated products under the regulation until May 26, 2014. The Agency will consider all information received from commenters on this subject in developing the final rule, which is expected to be made final late this calendar year.

Calvert Q29: Is the Agency's intention to harmonize EPA regulations with the California Air Resources Board (CARB) with respect to laminated products as directed by Congress? If so, why did EPA's initial proposal included laminators when California expressly exempts laminators?

Answer: The EPA is in regular communication with the California Air Resources Board (CARB) and is striving to ensure that provisions in EPA's final rule(s) are compliant with the Formaldehyde Standards for Composite Wood Products Act (TSCA Title VI) formaldehyde emission standards while aligning, to the extent possible and practical, with the regulatory requirements in California.

It is important to note that TSCA Title VI departs from CARB's Airborne Toxic Control Measure in several ways that have required careful harmonization.

The Act establishes formaldehyde emission standards for hardwood plywood, particleboard, and medium-density fiberboard that are identical to the emission standards in CARB's regulation. The Act also includes laminated products on the list of composite wood products to be regulated under TSCA Title VI, while CARB has an exemption for these products. With respect to these laminated products, Congress did provide the EPA with the authority to modify the definition of laminated product and exempt some or all laminated products from the definition of hardwood plywood pursuant to a rulemaking under TSCA Title VI, which shall be promulgated "in a manner that ensures compliance with the [statutory] emission standards."

The information available to the EPA at the time the initial proposal was issued did not indicate that laminated products would be in compliance with the emission standards, and

therefore the Agency did not propose an exemption for all laminated products from the proposed regulations. The EPA did, however, propose to exempt laminated products that are made with compliant cores and laminated with "no-added-formaldehyde" resins because we concluded that such exemptions would be consistent with the statutory directive.

On April 8, 2014, the EPA re-opened the comment period for the proposed implementation rule to seek additional public input regarding potential modifications to the EPA's proposed treatment of laminated products. On April 28, 2014, the Agency held a public meeting at the EPA Headquarters in Washington, D.C. Based on a request from the public, the EPA extended the comment period for comments related to the treatment of laminated products under the regulation until May 26, 2014. The EPA will consider all information received from commenters as the Agency makes decisions on how to proceed on laminated products when preparing the final regulations.

Calvert Q30: Can the Agency assure this Subcommittee that EPA's final formaldehyde rule will not be overly burdensome to laminators?

Answer: The EPA is very sensitive to the potential impact of these requirements on the American manufacturing sector. In the development of the proposals, the EPA engaged numerous stakeholders, including small businesses, many of which served as Small Entity Representatives providing input to the Small Business Advocacy Review (SBAR) Panel for these proposed regulations. The EPA took their input, and the SBAR Panel deliberations, into account in designing the proposed exemption for laminated products.

In ongoing efforts to reach out to potentially affected stakeholders, the EPA has met and continues to meet with companies and trade associations that represent, among other members, producers of laminated products. The Agency has specifically requested data on formaldehyde emissions from laminated products in addition to seeking comments and information on the proposed definition of laminated products. As part of this effort, EPA re-opened the comment period for the proposed implementation rule on April 8, 2014, to seek additional public input regarding potential modifications to the EPA's proposed treatment of laminated products. On April 28, 2014, the Agency held a public meeting at EPA Headquarters in Washington, D.C. Based on a request from the public, the EPA extended the period for comments related to the treatment of laminated products under the regulation until May 26, 2014. The EPA will consider all information received from commenters as the Agency makes decisions on how to proceed on laminated products when preparing the final regulations.

Radon State Grants

Tough choices need to be made when crafting a budget; however, the proposal to terminate the Radon program grants warrants a second look particularly when 21,000 lung cancer deaths are attributed annually to radon exposure.

Calvert Q31: Why has the Administration again proposed this grant program for termination?

Answer: The State Indoor Radon Grants (SIRG) program was established by Congress to fund the development of states' capacity to raise awareness about radon risks and promote public health protection by reducing exposure to indoor radon gas. After 26 years in existence, the radon grant program has increased states' technical expertise and capacity to raise awareness about radon risks and promote public health protection by reducing exposure to indoor radon gas. Eliminating the SIRG program is an example of the difficult choices the agency has made in this budget to help meet the nation's fiscal challenges. The agency will focus on driving action at the national level, with other federal agencies, through the Federal Radon Action Plan. Released in June of 2011, the Action Plan aims to increase radon risk reduction in homes, schools, and daycare facilities, as well as radon-resistant new construction. It contains both an array of current federal government actions to reduce radon risks and a series of new commitments for future action. More information about the Action Plan and its progress is available at: http://www.epa.gov/radon/action_plan.html.

Calvert Q32: If States are capable of handling delegated responsibilities for this program within their budgets, why is there a $21.5 million increase for grants to fund base state air programs, and a $25 million increase for state water programs? There seems to be a disconnect in the Agency's view that States have ample budgets to handle some programs but not others.

Answer: As you note, funding for some of the Agency's grant programs is increased in the FY 2015 President's Budget to continue prioritizing support for our state and tribal partners, the primary implementers of environmental programs. Requested increases over enacted levels recognize the importance of state partners in the progress made to provide air that is safe to breathe, water that is safe to drink, cleaner land, and safer chemicals. For example, the FY 2015 President's Budget request for increases to the state air grant programs reflect the need for states to implement Clean Air Act obligations with regard to developing plans to reduce greenhouse gases.

Over the 26 years of its existence, EPA's radon program has provided important guidance and significant funding to help states develop and implement their own programs. As state radon programs continue their work, EPA is proposing to eliminate the State Indoor Radon Grants and will focus agency efforts towards maintaining public outreach efforts, encouraging action in the marketplace, and driving progress at the federal level.

New Las Vegas Office Building

The budget re-proposes a $12 million increase to design a new building in Las Vegas to consolidate EPA's personnel. EPA's lease with UNLV is set to expire in 2015, and it is unlikely that it will be renewed. As such, EPA needs to find other space for its lab personnel. While there is a great deal of unused commercial space in Las Vegas, the Agency proposes to build a new building.

Calvert Q33: The $12 million requested for FY15 is simply to design the building. What are the anticipated construction costs?

Answer: EPA anticipates that construction for a Las Vegas laboratory will cost approximately $70.5 million.

Calvert Q34: Why propose new construction rather than reusing existing, available space?

Answer: EPA made the decision based on information provided by GSA as part of a market survey conducted within the last 2 years. GSA has stated that although GSA does not have a direct role in the construction project to meet EPA Las Vegas facility requirements, the long term nature of EPA's needs suggests that federal construction is a more cost effective solution than leasing a comparable facility. A detailed cost benefit analysis found that a consolidated facility would yield a total savings to the Agency of $15 million over 20 years in comparison to leasing space. So far no existing available space has been identified that meets EPA's specialized laboratory requirements.

Calvert Q35: Was this a recommendation included in EPA's lab study?

Answer: The option for an EPA-owned Las Vegas laboratory was included in The Lab Study. The Lab Study only considered alternatives where EPA would have an ORD laboratory in Las Vegas. The Smith Group is scheduled to issue the "EPA Nationwide Laboratory Assessment – Report of Findings" in June 2014 and the National Academy of Sciences (NAS) is scheduled to issue its report in September 2014. After receiving final input from the Smith Group and NAS, The Science and Technology Policy Council will issue a final Lab Study in the first quarter of FY 2015. The draft report shows that moving to an EPA-owned facility will be more cost effective than leasing.

Superfund Budget

The 2015 budget proposes $1.16 billion for the Superfund program, which includes a $43.4 million increase for the cleanup programs. With this funding, the budget justification indicates that funding would initiate cleanup construction work on four to six construction projects. That would still leave 30 sites unfunded at the end of fiscal year 2015. By definition, these are the most toxic sites in the United States, so it is important that we clean these up.

Calvert Q36: Has the Agency developed estimates for what level of funding is necessary to initiate cleanup at all the unfunded sites that stand ready for cleanup?

Answer: Resources for the Superfund Remedial Program has declined from the FY 2011 enacted level of $605 million to $500 million in FY 2014, creating a backlog of 22 new projects that were ready to start construction at the end of FY 2013. With additional new projects ready to initiate construction in FY 2014, the potential backlog entering FY 2015 was projected to increase to approximately 30 projects. Since the development of the EPA budget justification, the backlog of site construction starts that was expected for FY 2015 has been reduced. This reduction is a result of settlements achieved by the EPA Superfund Enforcement Program and effective financial and project management efforts that are allowing the Agency to deobligate unused funds and redirect those funds to new construction projects in FY 2014. These efforts will reduce the unfunded new

construction backlog by approximately 15-20 projects, resulting in approximately 10-15 projects lacking construction funds at the beginning of FY 2015.

The remaining 10-15 unfunded projects would need approximately $45 million to start cleanup construction. The final estimated cost to complete the construction projects range from $2 million to more than $50 million depending on the project. As with all construction projects, final costs are likely to vary as work progresses in the field.

The additional $43.4 million proposed for the Superfund Remedial Program in the FY 2015 President's Budget (for a total of $543.4 million for the Superfund Remedial program) will contribute to reducing the unfunded new construction backlog by funding approximately 4-6 new construction projects with those funds. This additional funding will also support pipeline activities such as remedial investigations, feasibility studies, and remedial designs which are critical steps prior to construction.

State Cost Share for EPA Grants

Currently States are required to provide a 20% match to grants from the Clean Water and Drinking Water State Revolving Funds, a 25% match for Alaska Native Villages and other water related implementation grants, a 40% match for most air and radon grants, and a 50% match for pesticide program implementation and pollution prevention grants.

Calvert Q37: Clearly this is an outgrowth from multiple authorizing statues enacted at various different times. From the Agency's vantage point, what are the potential pitfalls associated with harmonizing the required state match for EPA STAG grants?

Answer: Harmonizing the required state match for EPA STAG grants, depending on the required match amount, could arbitrarily increase or decrease the resources devoted to a particular program without considering the unique resource needs of each program. It should be noted that for EPA STAG grant programs eligible for inclusion in EPA Performance Partnership Grants (PPGs), the Agency is able to provide States flexibility in addressing matching share requirements. Under a PPG, States provide an aggregate match for the programs included in the PPG. This relieves a State from having to provide matching funds from each of the covered programs. Instead, if a State lacks matching funds for a particular program, but has an overmatch of State monies in another program for reasons such as the availability of additional appropriations from the State's general fund or revenue from State permit fees, it can use the overmatch to meet the PPG aggregate match.

IRIS Assessment of Inorganic Arsenic

The Consolidated Appropriations Act for 2012 directed the Agency to contract with the National Academy of Sciences (NAS) for a study of the cancer and non-cancer hazards from oral exposure to inorganic arsenic. Pursuant to that directive, EPA contracted with the NAS to provide advice to the Agency on the approach proposed for its hazard assessment of inorganic arsenic and then to conduct a peer review of the ultimate IRIS assessment. The NAS published

its interim report on November 7, 2013 entitled, "Critical Aspects of EPA's IRIS Assessment of Inorganic Arsenic".

Calvert Q38: The NAS Interim Report recommends a data-driven approach for assessing multiple health effects of inorganic arsenic as opposed to the Agency's typical default approaches. In using a 'data-driven' approach, does the Agency agree that the IRIS assessment should consider all available and defensible evidence, including recent research papers, and not just data compiled by a date certain?

> **Answer:** Yes, the Agency agrees that the IRIS assessment for inorganic arsenic will use all available and defensible scientific evidence to reach qualitative and quantitative risk assessment conclusions. A data-driven approach is consistent with the scientific principles of the Agency and only in the absence of scientific information does the Agency utilize default approaches. Further, the NAS Interim Report has provided the Agency with specific guidance regarding the approaches to be utilized in the IRIS inorganic arsenic assessment, and the Agency is committed to implementing them. In addition, the NAS recommended development of explicit and transparent stopping rules for consideration of new evidence in the recent *Review of EPA's Integrated Risk Information System (IRIS) Process* (May 2014). Therefore, EPA will conduct an update of the literature search for the arsenic assessment by July 2014 and incorporate pertinent new peer reviewed literature, as appropriate, into the revised draft assessment that will be released for public comment just prior to external peer review.

Calvert Q39: Does the Agency agree that recent scientific evidence exists for the finding of a safe threshold for low dose exposure to inorganic arsenic, particularly for cancer effects?

> **Answer**: The Agency is currently developing the IRIS assessment for inorganic arsenic. This process involves a systematic review of all the available scientific information for health effects related to inorganic arsenic exposure and the development of qualitative and quantitative methods, as was recommended by the NAS, to determine the human health risk at low dose exposures to inorganic arsenic. At this point in the process, EPA has not yet made a determination regarding dose response issues and is committed to evaluating potential human health risks in a transparent and collaborative manner with the Agency's partners, stakeholders, and the public.

Calvert Q40: The NAS 2008 Report: "Science and Decisions: Advancing Risk Assessment", frequently referred to as the "Silver Book" recommended that EPA consider the regulatory impacts of its IRIS hazard assessments. The proposed 2010 IRIS assessment for inorganic arsenic would have driven regulatory standards below naturally occurring background levels in soil and water. At the time, many within and outside EPA were highly critical of the proposed increase in the cancer slope for inorganic arsenic. The Committee continues to be concerned that EPA's IRIS assessments should consider the "real world" regulatory and risk management implications of its hazard assessments. Will the reforms of the IRIS program result in more realistic risk values, particularly for inorganic arsenic?

> **Answer**: EPA is confident that the enhancements to the IRIS program will result in a

scientifically valid risk assessment and, subsequently, that EPA's risk management process will result in appropriate regulatory standards for inorganic arsenic. It is important that risk assessment be designed to fully address the needs of decision makers and risk managers. It is equally important that the risk management process be distinct from this characterization of health risks. The application of human health risk information, such as the inorganic arsenic IRIS assessment, for risk management purposes, is a policy decision. Issues of feasibility and cost are considerations of risk management and should not be directly driven by dose response findings. The full process presented in the Silver Book is a continuum from problem formulation through risk management with "real world" considerations considered at the risk management stage. Scientists, risk assessors, and managers inside and outside the Agency provided valuable input into the scoping and planning of the IRIS assessment for inorganic arsenic. The scoping and planning were conducted at an Agency meeting in September 2012 and a public stakeholder meeting was held in January 2013. This scoping and planning effort resulted in an Assessment Development Plan (ADP) which was submitted to the NAS in May 2013. The NAS provided a favorable review of the ADP and made further recommendations to improve the plan. The revised ADP, incorporating the NAS recommendations, was released with the inorganic arsenic literature search and evidence tables in advance of a public discussion to be held June 25-27, 2014.

Calvert Q41: What is the current projected date for posting of the draft IRIS assessment of inorganic arsenic for public review and comment?

Answer: EPA estimates it will release the draft assessment for public review and comment in late 2014 or early 2015.

IRIS Assessment of Formaldehyde

Calvert Q42: It is our understanding that EPA is organizing a workshop on formaldehyde to address critical science issues prior to the issuance of the revised IRIS assessment for formaldehyde. We/I applaud this effort to meet the directive laid out in Chapter 7 of the National Academy of Sciences report on the prior formaldehyde IRIS assessment, which made clear that "strengthened, more integrative and more transparent discussions of weight of the evidence are needed." What is EPA doing to ensure that this workshop leads to actionable results that can support an improved, science-based assessment that balances all of the available evidence? For example, has your staff been able to secure the participation of the key experts in the areas to be discussed? Will the proceedings be made public?

Answer: As you note, the purpose of this public workshop, which was held on April 30 and May 1, 2014, was to inform the development of the IRIS assessment for formaldehyde, and the discussion focused on critical scientific issues, including the following:

1. Epidemiological research examining the potential association between formaldehyde exposure and lymphohematopoietic cancers (leukemias and lymphomas);
2. Mechanistic evidence relevant to formaldehyde inhalation exposure and these types of cancers; and

3. The influence of formaldehyde that is produced endogenously (by the body during normal biological processes) when assessing the health hazards (especially excess cancer risk) of inhaled formaldehyde.

This workshop is part of EPA's efforts to use the best available science to develop IRIS assessments and the workshop discussions will provide important information that will be useful for the development of the revised draft assessment. An agenda is available on the webpage for the formaldehyde workshop, where you can see that key experts with a range of perspectives and expertise participated (http://www.epa.gov/iris/irisworkshops/fa/index.htm). EPA solicited input from the public on topics and potential speakers for the workshop and worked with a contractor to obtain a diverse set of participants with relevant expertise. The workshop was available by webinar to heighten public access to the meeting and discussion and input was encouraged from both in person and webinar attendees. Materials from the workshop also will be made publicly available.

Calvert Q43: Given the importance of the formaldehyde IRIS assessment as a test case for IRIS reform, would EPA be receptive to contracting with the National Academy of Sciences to conduct a review of the revised draft IRIS assessment of formaldehyde to ensure that the NAS's 2011 recommendations on an earlier draft of the assessment have been fully addressed?

Answer: Full and robust implementation by the IRIS Program will continue as an evolving process with input and feedback from the public, stakeholders, the NRC committee reviewing the IRIS assessment development process, and the newly formed Science Advisory Board (SAB) Chemical Assessment Advisory Committee, which will help ensure consistency across assessments.

As the Agency has indicated previously to the committee, EPA's plan is to conduct an independent scientific peer review of the revised draft formaldehyde assessment through the SAB. In addition to the peer review, EPA will request that the SAB evaluate whether there are scientific issues raised by the NRC that have not been adequately addressed by the EPA. EPA will then determine if a second NAS review is needed. EPA agrees that the formaldehyde IRIS assessment is important and is receptive to suggestions as to how this assessment and others can be improved, including approaches for peer review.

Calvert Q44: Given that the formaldehyde assessment is in a unique position with regard to the timing set out in EPA's proposed stopping rules, will EPA continue to accept and consider new data through the comment period for the revised IRIS assessment?

Answer: The NAS recommended development of explicit and transparent stopping rules for consideration of new evidence in the recent *Review of EPA's Integrated Risk Information System (IRIS) Process* (May 2014). Consistent with these recommendations, EPA will conduct an update of the literature search for the IRIS formaldehyde assessment and incorporate pertinent new literature, as appropriate, into a revised draft assessment that is released for public comment just prior to external peer review. EPA's current plan is to update its current literature search in September 2014. After that update to the

literature search, EPA's process is to add additional studies only if such studies would impact the credibility of an assessment's conclusions because such studies reasonably might significantly change the key conclusions of the assessment.

The IRIS process stopping rules are available at http://www.epa.gov/iris/pdfs/IRIS_stoppingrules.pdf. An excerpt of that text is below:

"In general, new studies can be included until a few months before an assessment is released for review. During the early review steps and before the public peer review meeting, new studies may be included, though it is important not to delay the assessment's progress by adding new studies or analyses that do not affect the assessment's conclusions. It also is important that an assessment not become out of date by repeating the early review steps."

"After peer review, the presumption shifts to not including new studies unless they have an impact on the credibility of an assessment's conclusions. Examples might be a strong new study that indicates a heretofore undiscovered health effect, or a strong new study that might change, in either direction, a major conclusion. Quantitatively, such a study would likely have the ability to significantly influence the selection of health effect or uncertainty factors for deriving a toxicity value, or to provide important mechanistic insights that would change the approach to dose-response assessment. On the other hand, a new study that merely confirms existing studies would not need to be added to an assessment that has undergone public peer review."

Design for the Environment (DfE)

Calvert Q45: EPA's Design for the Environment program, which seeks to characterize certain chemicals and products as not just safe, but "safer". How is EPA planning to align the non-regulatory DfE labeling program with its regulatory function?

Answer: EPA uses a three-part strategy for addressing potential risks from existing chemicals:

- Identifying chemicals for risk assessment and taking actions as appropriate.
- Increasing opportunities for industry to move toward using safer chemicals, such as those described in EPA's Design for the Environment (DfE) and Green Chemistry programs.
- Increasing public access to data on chemicals that have been developed by EPA or provided by industry.

This multi-pronged strategy works to comprehensively address and ensure the safety of chemicals. The Toxic Substances Control Act provides the basis for EPA's chemicals management regulatory program and for the existing chemicals that are legally allowed in U.S. commerce. DfE, a voluntary program, is designed to recognize leadership in chemical safety.

EPA uses risk assessment under TSCA in a regulatory setting to manage chemical risks by setting levels at which exposure to a given chemical poses an acceptable risk. More specifically, under TSCA's Section 5 authority for new chemicals, EPA utilizes a range of actions to prohibit or limit the use of a chemical if EPA determines that the substance may present an unreasonable risk of injury to human health or the environment. EPA's DfE Program uses hazard assessment to identify the safest chemicals that can cost-effectively satisfy a functional need. The voluntary DfE program promotes innovation, and helps consumers and institutional purchasers quickly identify products that are safer for their customers, children, and pets.
The DfE program successfully works in partnership with industry and other stakeholders to recognize innovation in the design and use of safer chemicals. It is our experience that most companies that manufacture chemical-based products want to use the safest possible high- performing chemical ingredients. The DfE Safer Product Labeling Program also empowers consumers to make informed choices about safer household and cleaning products.

Calvert Q46: DfE's product ecolabeling program encourages the reformulation of certain consumer products, but perhaps without regard to society-wide impacts on clean air and water if products as they are made differently. How does EPA consider the full environmental impacts of "safer" or "greener" products, and that net impacts on human health and the environment are in fact lower?

Answer: For 15 years, the EPA's Design for the Environment (DfE) Program has applied the Agency's expertise in chemicals, toxicology, and environmental science to evaluate chemical formulations and allow use of the DfE label on products that perform well and contain the safest possible ingredients. All labeled products must meet DfE's highly protective Standard for Safer Products and stringent component-class criteria. The DfE scientific review team evaluates each ingredient for potential human health and environmental effects based on the best currently available scientific information, EPA predictive models, and expert judgment, to ensure that candidate products contain only ingredients that are among the safest in their functional class. DfE also has continuously strengthened the life cycle aspects of its review, focusing on chemical exposures during use and end-of-life, the "hot spots" in the life cycle of chemical-based products. In addition to protecting human health, the requirements of the DfE standard protect wildlife and aquatic organisms. DfE's standard also includes requirements for other important areas that impact clean air, like volatile organic compounds. The program includes a first-of-its-kind ingredient disclosure provision that will make the safer chemistry aspects of labeled products more visible and valued. DfE has now labeled about 2,500 safer products for a wide variety of consumer, institutional, and industrial uses.

New Source Performance Standards and CCS

In the proposed New Source Performance Standard rule for new electricity plants, the Agency states that the proposed standard for a new natural gas combined cycle power plant (1000 pounds of CO2 per megawatt hour) is being met by over 90% of those types of plants in operation today.

Calvert Q47: How many coal power plants in operation today can meet the proposed standard (1100 pounds of CO2 per megawatt hour) for new coal power plant?
In previous EPA testimony, the Agency says the proposed standards for a new coal power plant "reflect the *demonstrated performance* of efficient, low carbon technologies that are currently being used today."

> **Answer:** This question was not answered by the Environmental Protection Agency and returned to the Subcommittee in time for inclusion into the public record.

Calvert Q48: Are there any full scale coal power plants currently operating in the US that are using Carbon Capture and Sequestration (CCS) technology?

> **Answer:** This question was not answered by the Environmental Protection Agency and returned to the Subcommittee in time for inclusion into the public record.

Calvert Q49: To be clear, while CCS components have been developed, are there any electric generating plants using a fully integrated CCS system in practice. If not, how does the Agency explain proposing a standard without knowing whether it is achievable in practice?

> **Answer:** This question was not answered by the Environmental Protection Agency and returned to the Subcommittee in time for inclusion into the public record.

Calvert Q50: When EPA evaluated whether the costs of electricity from a new power plant using CCS is reasonable, did EPA rely on the cost of the technology at its current status as an emerging technology for power plants or what the costs are projected to be when CCS reaches the status as a fully mature technology?

> **Answer:** This question was not answered by the Environmental Protection Agency and returned to the Subcommittee in time for inclusion into the public record.

Calvert Q51: Is there a difference in cost between CCS in its current status and when it reaches status as a fully mature technology?

> **Answer:** This question was not answered by the Environmental Protection Agency and returned to the Subcommittee in time for inclusion into the public record.

Calvert Q52: The Department of Energy testified recently that early stage deployment of CCS for new power plants would increase the costs of wholesale electricity by approximately "70 to 80 percent." This testimony came from Mr. Julio Friedmann, Deputy Assistant Secretary who is an expert in CCS technologies. What has the Department of Energy told EPA about how long will it be before CCS is considered a fully mature technology and cost competitive for power plants?

> **Answer:** This question was not answered by the Environmental Protection Agency and returned to the Subcommittee in time for inclusion into the public record.

Perchlorate

It is the Committee's understanding that the EPA Office of Water continues to pursue the establishment of a maximum contaminant level for perchlorate under the Safe Drinking Water Act despite the National Academy of Sciences determination that exposure to perchlorate at environmental levels has little to no effect on humans and previously Agency determinations (OW and OIG) that perchlorate fails to meet the criteria for regulation under the Safe Drinking Water Act.

Calvert Q53: Please describe for the Committee, the Office of Water's ongoing activities related to perchlorate in fiscal year 2014 and those related activities proposed within the FY2015 budget, including those activities that assist communities with known perchlorate exposures as well as any efforts to revise the reference dose or promulgate additional regulations.

> **Answer:** In FY 2014, the EPA is implementing recommendations from the Science Advisory Board for deriving a Maximum Contaminant Level Goal (MCLG) for perchlorate. In accordance with the Safe Drinking Water Act, EPA requested comment from the Science Advisory Board (SAB) prior to proposing an MCLG and National Primary Drinking Water Regulation (NPDWR) for perchlorate. In its final report (May 2013), the SAB concluded that it is important for the EPA to consider sensitive life stages explicitly in the development of an MCLG for perchlorate. The SAB found that the most sensitive life stages are the fetus, neonates, and infants because these are the stages when thyroid-dependent brain development occurs. In addition, the SAB recommended that the EPA, ". . . derive a perchlorate MCLG that addresses sensitive life stages through physiologically-based pharmacokinetic/pharmacodynamic (PBPK) modeling based upon its mode of action rather than the default MCLG approach using the RfD and specific chemical exposure parameters." EPA is collaborating with the FDA to implement the SAB recommendations.
>
> In FY 2015, the EPA intends to complete PBPK modeling activities and conduct a peer review of the model. In addition, the Agency plans to conduct analysis of the best available science on occurrence, analytical methods and treatment technologies to remove perchlorate from drinking water, and associated costs and benefits.
>
> Currently there is no drinking water regulation for perchlorate. However, to assist communities with known perchlorate exposures, the EPA released an interim health advisory to help states and water systems address perchlorate in drinking water.

Pesticide Registrations

The Pesticide Registration Improvement Renewal Act of 2012 increased the minimum appropriated funding level required in order to allow EPA to collect registration service fees. However, since then the Committee has waived the minimum level to allow the pesticide program to continue to collect fees under tighter budgets.

Calvert Q54: Under the 2012 Act, what is the expectation for the percentage of the program that would be funded through appropriations vs. the percentage of the program funded through fees? Please provide a table with an annual breakdown. Please also include the actual percentages for FY13 and FY14 based on the final appropriations and fees collected. Please also include the proposed percentage under the FY15 President's budget.

Answer:

FY	PRIA Fees Collected	Maintenance Fees Collected	Appropriations	% of Program Funded by Appropriations
2013	$15.2M	$27.015M	$121.8M	$121.8/$164.015 = 74%
2014	$15.4M[1]	$28.032M (as of April 9, 2014)	$122.1M	$122.1/$165.532 = 74%
2015	$15.4M1	PRIA requires $27.8M	$122.1M[2]	$122.1/$165.3 = 74%

Calvert Q55: Has EPA been able to meet the timelines for pesticide review included in the PRIA reauthorization? How does this compare to actions under PRIA-I or PRIA-II?

Answer: No, during the 3.5 years of PRIA-1 (FY'04 – FY'07), the on-time completion rate was 99.9%. During the five years of PRIA-2 (FY'08 – FY'12), the on-time completion rate was 99.3%. In FY'13 (the first year of PRIA-3), the on-time completion rate fell to 98.8% due to personnel furloughs. We expect that the partial government shutdown of October 2013 will have a significant impact on our FY'14 on-time completion rate, and we will evaluate that impact after the fiscal year ends on September 30, 2014. Below is a table containing the total number of actions completed and the number of those actions completed late under PRIA-1, PRIA-2, and PRIA-3.

	FY's	# of completed actions	# of actions completed late	% on time
PRIA-1	FY'2004 – FY'2007	4,273	3	>99.9%
PRIA-2	FY'2008 – FY'2012	7,892	55	99.3%
PRIA-3	FY'2013	2,084	25	98.8%

Calvert Q56: What were the minimum appropriation levels required under PRIA-I and PRIA-II?

Answer:

- For PRIA 1 (FY'04 – FY'07) the minimum appropriations trigger was $122.4 million;

[1] At this time, the amount of PRIA fees that will be collected in FY'14 and FY'15 is unknown. We have used the average annual PRIA fees collected over the past five years (FY'09 – FY'13) as an estimate of PRIA fees to be collected in FY'14 and FY'15.
[2] We have assumed the same amount of appropriated funds in FY'15 as was appropriated in FY'14.

- For PRIA 2 (FY'08 – FY'12) the minimum appropriations trigger was $122.4 million;
- For PRIA 3 (FY'13 – FY'17) the minimum appropriations trigger is $128.3 million.

[For both PRIA 1 & PRIA 2, the minimum appropriations level was pegged at the FY 2002 level ($126.2 million) with a COMPLIANCE clause that stated that EPA would be considered in compliance with the minimum appropriation level if that level was no more than 3% less than the FY 2002 appropriation level. PRIA-3 minimum appropriation level is pegged at the FY 2012 level ($128.3 million) and there is no COMPLIANCE clause.]

Title 42 Authority

EPA budget documents indicate that 23 Title 42 employees are on-board with an additional 12 recruitments underway.

Calvert Q57: When does the Agency estimate that all 12 recruitments will be on-board?

Answer: EPA estimates that all 12 recruitments will be on-board in the first quarter of FY 2015.

Calvert Q58: How does EPA's use of Title 42 authority compare and contrast to other agencies that utilize special Title 42 authority?

Answer: In 2010, the National Academies of Science's National Research Council reviewed EPA's Title 42 program. The Council commended EPA's prudent management of its Title 42 authority. It observed that Title 42 is helping EPA achieve its mission, identify and hire outstanding candidates, and retain top scientists; and it noted how Title 42 has enabled EPA to build new capacity and advance the state of science. The Council recommended that EPA be granted permanent Title 42 authority without a defined number.

In addition to the National Academies of Science's review, in 2012, the Government Accountability Office (GAO) assessed EPA's Title 42 program. The report highlighted that EPA has followed its policies and guidance in operating its Title 42 program. GAO also recognized that EPA incorporated modifications to its policy and guidance based on the recommendations made by the National Academies of Science's 2010 report.

Title 42 authority provides EPA with flexibility in hiring and pay and has allowed the Agency to more effectively compete with academia and private industry for top scientific and engineering talent. As a result, this authority has allowed EPA to make strides in the computational toxicology, risk assessment, and air pollution arenas. It is important to note that other federal agencies successfully use this authority, at greater numbers, to address environmental and health positions.

EPEAT

EPA established the Electronic Product Environmental Assessment Tool (EPEAT) to serve a limited, but useful purpose: to allow federal purchasing managers to evaluate the relative environmental benefits of various information and communications technology products in order to make informed procurement decisions on product energy use and sustainability. Two Executive Orders and the Federal Acquisition Regulation stipulate that 95% of federal purchases of eligible products must be of devices included on the EPEAT registry. Over $60 billion of federal contracts are affected. However, the organization which runs the program is neither in the government or run by industry.

Calvert Q59: Please explain how the EPA established the EPEAT tool with the Green Electronics Council of Portland, Oregon, how the EPEAT process works, and what EPA does on a daily basis to approve in advance the standards that the Council adopts?

Answer: EPEAT is an easy-to-use resource for purchasers, manufacturers, resellers, and others wanting to find or promote electronic products with positive environmental attributes.

In 2002, EPA provided a pollution prevention grant to a non-profit organization, Zero Waste Alliance, to convene a multi-stakeholder group to discuss ways to reduce the public health and environmental impacts of electronic products. This group developed a draft set of environmental performance criteria for computer desktops, laptops, and monitors, and a vision for an entity that would manage a registry of products meeting these criteria. EPA then conducted a competitive grant competition in 2005 for seed funding for implementation of the EPEAT system by a host organization. The Green Electronics Council (GEC) was awarded this grant and launched EPEAT in 2006. EPA funding ended in 2008 and GEC continues to manage implementation of EPEAT with funding from subscriber fees. GEC maintains the EPEAT website and the EPEAT product registry, and documents the environmental benefits resulting from the purchase of EPEAT-registered products. EPA no longer provides financial assistance to GEC for the maintenance of the EPEAT product registry and web site.

The EPEAT registry includes products that meet the following environmental performance standards set via voluntary consensus based processes by ANSI-accredited standards development organizations:

- IEEE 1680.1-2009 Standard for the Environmental Assessment of Personal Computer Products
- IEEE 1680.2-2012 Standard for the Environmental Assessment of Imaging Equipment
- IEEE 1680.3-2012 Standard for the Environmental Assessment of Televisions

All of these standards include environmental performance criteria for:

- Reduction/elimination of environmentally sensitive material

- Materials selection
- Design for end of life
- Product longevity/life-cycle extension
- Energy conservation
- End-of-life management
- Corporate performance
- Packaging

The EPEAT registry currently lists computer desktops, notebooks, integrated systems, thin clients, workstations, displays, televisions, printers, copiers, scanners, fax machines, multifunction devices, digital duplicators, and mailing machines that meet the requirements of the relevant IEEE standards for these products.

EPA is actively involved in bringing technical expertise to the voluntary, consensus based standards development processes, along with other federal, state, and local government and non- governmental stakeholders. EPA participates in an advisory role to EPEAT by having a representative on the EPEAT Advisory Council. The role of the Advisory Council is to provide input on a variety of matters of importance to stakeholders related to the management of the EPEAT system, including issues related to implementing new standards for electronic products in the EPEAT registry, verification against the standards, and the usability/operability of EPEAT. Decisions about which standards will be used in the EPEAT system are made by the EPEAT Board of Directors which EPA does not participate on.

Calvert Q60: Does EPA periodically examine alternate mechanisms or organizations in a competitive manner to identify the best service provider?

Answer: EPEAT is not a government-run program and EPA does not provide funds for the management of the EPEAT product registry or for the verification of products to standards.

In 2011, EPA conducted a grant competition process to facilitate the development of new voluntary consensus standard for additional electronic products. All proposals submitted underwent extensive review by a multi-stakeholder panel which included representatives of other federal agencies, an environmental non-profit organization, and industry. In addition to their written proposals, the applicants also conducted oral presentations for the panel. This panel rated the proposal of International Sustainable Development Foundation (ISDF) – the former parent organization of the Green Electronics Council (GEC) – the highest of all proposals submitted. In its deliberations, the panel concluded that ISDF had the most experience and was best positioned to receive this grant.

Initially, GEC was the only verifier of products for conformance to standards under EPEAT. Due to stakeholder input, GEC has moved to an open competition, multiple verifier systems, in which manufacturers have a choice of six different verifiers to work with to demonstrate conformance of their products to the standards. At this point, over 50 percent of all verifications conducted for EPEAT-registered imaging equipment and

100 percent of all verifications for televisions have been conducted by verifiers other than GEC.

Calvert Q61: How much does the Green Electronics Council receive annually from EPA and is this funding provided consistent with EPA's competition policies?

Answer: The Green Electronics Council (GEC) is not receiving any funds from the federal government for managing the EPEAT Product Registry or the verification of products to standards. EPA does have a cooperative agreement with the International Sustainable Development Foundation (ISDF) – the former parent organization of GEC – to facilitate the development of a server standard and one other standard to be determined. This cooperative agreement was awarded through a competitive process conducted in 2011 which was consistent with EPA's competition policy. Since this cooperative agreement was awarded, EPA has provided ISDF with $176,000 in funding.

Calvert Q62: What right of ownership does EPA have with respect to the EPEAT tool if the Council has trademarked the EPEAT tool?

Answer: EPEAT is not a government-run program and EPA has no ownership rights with respect to EPEAT.

Calvert Q63: What processes does the Green Electronics Council use to garner input from U.S. companies, and how does EPA participate in them? Does EPA arbitrate disputes between the Council and other partners?

Answer: The EPEAT Advisory Council is a non-fiduciary body formed to provide input and advice to EPEAT management and board. The Council draws volunteers from all of EPEAT's stakeholder groups, including representatives of manufacturing, purchasing, environmental advocacy, recycling, government, research, retail, and reseller interests. EPA is one of two federal government representatives on the Advisory Council. DOE is the other representative. The EPEAT Advisory Council provides recommendations to the EPEAT Board of Directors, which makes all final decisions. The list of members of the EPEAT Advisory Council can be found at the following website: www.epeat.net/advisory-council/

EPA does not arbitrate disputes between the Green Electronics Council (GEC) and other partners. EPA has, however, hosted a series of dialogues with stakeholders to discuss issues and to work toward a path forward on greener electronics.

Calvert Q64: The National Technology Transfer and Technology Act and OMB Circular A-119 require use of "open, consensus based standards" for federal purchasing decisions. Does the Agency affirm that the standards that the Council adopts are "open" and "consensus based" as required by law? Is the ultimate decision authority of the Council with respect to which standards and products it allows on its registry conformant with the NTTTA and OMB A-119?

Answer: The EPEAT Advisory Council is a non-fiduciary body formed to provide input and advice to EPEAT management and board. The Council draws volunteers from all of EPEAT's stakeholder groups, including representatives of manufacturing, purchasing, environmental advocacy, recycling, government, research, retail, and reseller interests. EPA is one of two federal government representatives on the Advisory Council. DOE is the other representative. The EPEAT Advisory Council provides recommendations to the EPEAT Board of Directors, which makes all final decisions. The list of members of the EPEAT Advisory Council can be found at the following website: www.epeat.net/advisory-council/

EPA does not arbitrate disputes between the Green Electronics Council (GEC) and other partners. EPA has, however, hosted a series of dialogues with stakeholders to discuss issues and to work toward a path forward on greener electronics.

Geographic Program

EPA has proposed new language to implement projects in the Southern New England Estuary program.

Calvert Q65: Please explain what limitations currently exist and why this language is necessary.

Answer: The Southeastern New England Coastal Watershed Restoration Program (SNECWRP) encompasses the coastal land and water area from Westerly, Rhode Island to Pleasant Bay on Cape Cod. This language allows SNECWRP to issue grants for project implementation in that geographic area. Currently available authorities under the Clean Water Act present challenges because Section 104(b)(3) does not allow for implementation, while Section 320 does not allow for implementation in areas outside of defined National Estuary Program study areas (Buzzards Bay and Narragansett Bay watersheds). The proposed language would allow the program to provide grants for implementation in the entire defined Southeastern New England region, including southern Cape Cod and eventually Block Island, Martha's Vineyard, and Nantucket.

Buy American

The FY 2015 President's budget proposes to remove the Buy American requirements for the Use of iron and steel in SRF projects. However, the Agency's budget documents do not seem to address this change in law.

Calvert Q66: Please provide the Administration's position for the proposal to remove these requirements for FY15.

Answer: The Administration is not opposed to Buy American requirements for the SRFs, but generally deletes legislative riders from prior years in its requested appropriations language for the Budget.

Payroll and FTE

Calvert Q67: What percent of the workforces are Grade 14s, 15s and SES and how does that compare to other Federal Agencies of similar size and mission?

Answer: EPA's data are pulled from the agency's HR system as of April 1, 2014. Data for NASA, DOE and NRC are pulled as of December 2013 (most recent available data) from Fedscope. EPA, NASA, DOE and NRC data capture permanent employees only. Fedscope data can be accessed at http://www.fedscope.opm.gov/ibmcognos/cgi-bin/cognosisapi.dll.

Percent of Employees (December 2013)			
	GS-14	GS-15	ES
EPA	18.3%	14.8%	1.8%
NASA	25.6%	25.3%	2.3%
DOE	16.5%	12.6%	3.3%
NRC	30.3%	25.2%	3.9%

Calvert Q68: How does the proposed level of $57.2 million and 321.5 FTE for the EPA Inspector General compare to the size of the Offices of Inspectors General at the Department of Interior, Department of Agriculture, NASA and their respective budgets for fiscal year 2014 and 2015?

Answer: The information below was provided by OIGs at NASA, DOI, and USDA. EPA-OIG compared to DOI-OIG: EPA-OIG has 14% more proposed FTE than DOI-OIG. EPA-OIG's average salary is $3.9 thousand less, and we have approximately 13% more proposed dollars.

EPA-OIG compared to NASA-OIG: EPA-OIG has 34% more proposed FTE than NASA-OIG. EPA-OIG's average salary is $4.2 thousand more, and we have approximately 35% more proposed dollars.

EPA-OIG compared to USDA-OIG: EPA-OIG has 40% fewer proposed FTE than USDA-OIG. EPA-OIG's average salary is $3.1 thousand less, and we have approximately 41% fewer proposed dollars. Because the USDA-OIG has more than 200 FTE more than EPA-OIG, we would suggest that it is not comparable in size to the EPA-OIG.

AGENCY - OIG	FY2014 LEVELS DOLLARS/FTE in millions	FY2015 LEVELS DOLLARS/FTE in millions	FY2015 AVERAGE SALARY in thousands
EPA	$51.8 / 331.5	$57.2 / 321.5	$177.9
DOI	$50.8 / 273	$50.0 / 275	$181.8
NASA	$37.0 / 213	$37.0 / 213	$173.7

USDA	$89.9 / 525	$97.2 / 537	$181.0

Calvert Q69: EPA's payroll request, Agency-wide is $2.245 billion for 15,000 FTE. That is an average of $149,633 per FTE. Is this the correct amount assumed in the budget per FTE? If not, provide the correct average and please explain the difference.

Answer: The EPA does not assume a specific agency-wide average compensation and benefits per FTE level cost when the budget is developed. Instead, the EPA looks at a finer level of detail based on actual expenditures at the office, appropriation and program project level. While not used to formulate the budget, the agency-wide average compensation and benefits per FTE requested for FY 2015 is $149,633. This estimate includes payroll and benefits such as Workers' Compensation, transit subsidies, childcare subsidies, FSAFeds subscription fees and awards.

Administrator Priorities

Calvert Q70: The FY14 Omnibus directed EPA in future budget justifications to identify funding in each program project that has been set side for Administrator priorities and include a justification for the effort and any anticipated results. Does EPA's FY15 congressional justification comply with the requirement? If so, where are these funds identified?

Answer: This question was not answered by the Environmental Protection Agency and returned to the Subcommittee in time for inclusion into the public record.

Proposed Rescission

Calvert Q71: The FY15 budget proposes a $5 million rescission of STAG unobligated balances. EPA's budget justification notes that these funds originate from Congressional designated projects that are complete and the grantee has returned the funds. Please provide a table of with the name of the projects including the year appropriated, the original sponsor, the year the project was completed, the year funds were returned and the amount returned.

Answer: To cover the proposed $5 million rescission, EPA has identified nearly $5.8 million in STAG that has been returned and is no longer needed for special appropriations projects. The attached file identifies the project and contains the additional details requested.

EPA Region	State	FY	Project Name	Dollars	Sponsor	Grantee	Grant Amt	Year of Return	Amount Returned	Notes
1	CT	2008	The Town of Prospect for the College Farms Subdivision	$138,000	DeLauro	TOWN OF PROSPECT, CT	$132,000.00	11/2/2011	$41,049.00	End of grant deobligation
1	CT	2010	The Mattabasset District for wastewater treatment facility upgrades	$500,000	Lieberman; Larson	THE MATTABASSETT DISTRICT	$485,000.00	11/29/2011	$23,142.00	End of grant deobligation
1	MA	2000	$1,425,000 for combined sewer overflow infrastructure support in Middlesex and Essex Counties ($712,500), and for continued wastewater infrastructure improvements in Essex County ($712,500), Massachusetts	$1,425,000	Unknown	CITY OF LAWRENCE	$150,040.00	5/3/2012	$2.00	End of grant deobligation
1	MA	2008	The City of West Springfield, Pioneer Valley Planning Commission for the Connecticut River Combined Sewer Overflow Clean-up	$1,400,000	Kennedy; Kerry; Neal; Olver	PIONEER VALLEY PLANNING COMMIS	$1,336,816.00	n/a	$100.00	Small balance never applied for
1	RI	2008	The City of Newport for water pollution control management	$300,000	Reed; Whitehouse	CITY OF NEWPORT, RI	$286,000.00	5/9/2012	$7.00	End of grant deobligation
1	VT	2008	The Town of Hardwick for water system upgrades	$500,000	Sanders; Leahy	TOWN OF HARDWICK, VT	$477,000.00	1/7/2013	$25,663.00	End of grant deobligation
3	PA	1999	$3,045,000 for wastewater, sewer overflow, and water system needs of the Westfall Municipal Sewage Authority ($1,740,000), and Jefferson Township, Lackawanna County ($1,305,000), Pennsylvania.	$1,740,000	Sherwood	WESTFALL TOWNSHIP MUNI AUTH	$1,740,000.00	3/18/2014	$796,427.82	End of grant deobligation
3	PA	2009	South Creek Township in Bradford County for wastewater and water quality protection project	$200,000	Specter; Casey	SOUTH CREEK TOWNSHIP	$194,000.00	6/8/2012	$500.00	End of grant deobligation
3	PA	2009	Washington County, Vestaburg-New Hill Sanitary Sewer System	$1,000,000	Murtha	VESTABURG-NEW HILL JOINT AUTH	$77,861.99	3/1/2013	$77,861.99	End of grant deobligation
3	PA	2010	Findlay Township Municipal Authority for water and sewer upgrades	$500,000	Specter; Murphy; Casey	FINDLAY TWP MUNICIPAL AUTH	$458,432.00	2/24/2012	$38,300.00	End of grant deobligation plus some funds never applied for
3	PA	2010	Thornbury Township for Cheyney University/Thornbury Township wastewater treatment facility improvements	$250,000	Sestak	THORNBURY TOWNSHIP	$242,000.00	3/28/2014	$37,645.00	End of grant deobligation
3	VA	2004	$125,000 for the Phoebe Needles System in Franklin County Virginia for a secondary sewage treatment system	$125,000	Goode	THE PHOEBE NEEDLES CENTER INC	$120,500.00	11/10/2011	$26,300.00	End of grant deobligation
3	VA	2005	$200,000 to the Eastern Shore of Virginia Public Service Authority in Northhampton County, Virginia for wastewater infrastructure improvements **Technically corrected to "the Town of Cape Charles in Northhampton County, Virginia for wastewater infrastructure improvements" (March 2008)	$200,000	Unknown	TOWN OF CAPE CHARLES, VA	$662,900.00	8/17/2012	$1,600.00	End of grant deobligation
3	VA	2006	Hanover County, VA Water and Wastewater Infrastructure Improvements	$682,000	Hanover	HANOVER COUNTY	$217,000.00	2/8/2012	$11,800.00	End of grant deobligation
3	WV	2005	$480,000 to the Grant County Commission in West Virginia to extend water service to the Deep Spring area	$480,000	Mollohan	GRANT COUNTY COMMISSION, WV	$461,900.00	4/19/2013	$25,088.89	End of grant deobligation
3	WV	2005; 2006	$1,840,000 to the Canaan Valley Institute to work in conjunction with the Highlands Action Program for an innovative wastewater demonstration program in Canaan Valley in Tucker County, West Virginia (2005) Canaan Valley, WV Canaan Valley Decentralized Wastewater System (2006)	$2,840,000	Mollohan	CANAAN VALLEY PUB SERVICE DIST	$2,726,100.00	3/19/2013	$600,277.00	End of grant deobligation

EPA Region	State	FY	Project Name	Dollars	Sponsor	Grantee	Grant Amt	Year of Return	Amount Returned	Notes
4	AL	2004	$150,000 to the Town of Double Springs, Alabama for water system improvements;	$150,000	Shelby	DOUBLE SPRINGS, TOWN OF	$144,600.00	8/6/2013	$19,535.91	End of grant deobligation
4	AL	2004	$700,000 to Lawrence County, Alabama for construction of a wastewater treatment facility;	$700,000	Unknown	LAWRENCE COUNTY COMMISSION	$675,000.00	11/29/2012	$4,395.63	End of grant deobligation
4	AL	2005	$600,000 to the City of Sheffield, Alabama for water and wastewater infrastructure improvements;	$600,000	Cramer	SHEFFIELD, CITY OF	$577,300.00	2/8/2013	$32,495.35	End of grant deobligation
4	AL	2009	City of Alexander City for water transmission main extension project	$550,000	Shelby; Rodgers	CITY OF ALEXANDER CITY, AL	$815,216.00	1/17/2012	$15,753.00	End of grant deobligation
4	AL	2010	Washington County Commission for the Washington County sanitary sewer extension	$500,000	Bonner; Sessions	WASHINGTON COUNTY COMMISSION	$485,000.00	9/24/2013	$585.46	End of grant deobligation
4	GA	2004	$1,250,000 for the City of Forsyth, Georgia for wastewater infrastructure improvements	$1,250,000	Marshall	CITY OF FORSYTH	$1,205,300.00	9/10/2013	$69,978.00	End of grant deobligation
4	GA	2008	The Metro North Georgia Water Planning District for water and wastewater improvements project.	$300,000	Chambliss; Isakson; Gingrey; Johnson; Price; Scott; Lewis	HALL COUNTY GOVERNMENT	$58,911.00	11/9/2011	$5.24	End of grant deobligation
4	MS	2002	$585,000 to the City of Picayune, Mississippi for water and wastewater infrastructure improvements	$585,000	Loft; Taylor	CITY OF PICAYUNE	$2,922,000.00	2/1/2013	$14,547.40	End of grant deobligation
8	CO	2009	City of Alamosa for drinking water system improvements	$300,000	Salazar	CITY OF ALAMOSA, CO	$291,000.00	9/11/2012	$89,404.31	End of grant deobligation
8	CO	2010	City of Rifle for drinking water infrastructure improvements	$300,000	Udall; Salazar	CITY OF RIFLE, CO	$291,000.00	5/15/2012	$150,900.00	End of grant deobligation
8	MT	2006	Drinking water system upgrades in the City of Belgrade, Montana	$750,000	Unknown	CITY OF BELGRADE	$716,800.00	5/17/2012	$17,882.00	End of grant deobligation
8	ND	2010	City of Washburn for drinking water treatment facility upgrades	$400,000	Conrad; Dorgan; Pomeroy	CITY OF WASHBURN	$1,064,000.00	3/29/2012	$3,109.93	End of grant deobligation
8	SD	2010	City of Lead for water and wastewater infrastructure improvements	$400,000	Johnson	CITY OF LEAD, SD	$1,741,200.00	2/27/2012	$48,900.00	End of grant deobligation
9	AZ	2001	$3,000,000 is for upgrades and expansion of the Nogales International Waste Treatment Plant, replacement of the International Outfall Interceptor, and replacement of sewer infrastructure facilities of the City of Nogales	$3,000,000	Unknown	CITY OF NOGALES	$2,772,068.00	3/28/2013	$35,893.82	End of grant deobligation
9	AZ	2006	Tucson, AZ Tucson Water Security Demonstration Project	$450,000	Unknown	CITY OF TUCSON	$430,200.00	2/22/2013	$19,755.00	End of grant deobligation
9	AZ	2009	Buckskin Sanitary District, Wastewater Facilities Improvements	$500,000	Grijalva	BUCKSKIN SANITARY DISTRICT	$485,000.00	6/5/2012	$24,900.00	End of grant deobligation
9	CA	2001	$2,000,000 to San Diego, California for the Coastal Low Flow Storm Drain Diversion Project	$2,000,000	Unknown	CITY OF SAN DIEGO ENG CAP PROJ	$1,935,700.00	10/25/2012	$359,537.00	End of grant deobligation
9	CA	2003	$405,000 to the Tuolumne Utility District in California for the canal optimization study	$405,000	Unknown	TUOLUMNE UTILITIES DISTRICT	$390,300.00	5/14/2012	$107,500.00	Grant terminated
9	CA	2004	$500,000 to the City of Santa Ana, California for the West Pump Station Facility Upgrade project	$500,000	Unknown	CITY OF SANTA ANA	$482,100.00	7/16/2012	$6,900.00	End of grant deobligation
9	CA	2004	$350,000 to the Monterey County Water Resource Agency in California for planning and design of the Salinas Valley Water Project	$350,000	Unknown	MONTEREY CNTY WATER RES AGENCY	$337,500.00	7/31/2012	$291,200.00	Grant terminated

EPA Region	State	FY	Project Name	Dollars	Sponsor	Grantee	Grant Amt	Year of Return	Amount Returned	Notes
9	CA	2006	Southern California Water and Wastewater Infrastructure Improvements (Mission Springs Water District 1.6M, Brinton Reservoir (Banning) 1M, Bighorn-Desert View Water Agency 500K, SAWPA SARI 450K, Yucca Valley 350K, Dunlap 100K)	$4,000,000	Lewis	HI-DESERT WATER DISTRICT	$334,500.00	5/31/2013	$32.00	End of grant deobligation
9	CA	2003; 2004	$630,000 to the Irvine Ranch Water District of Irvine, California for improvement of the San Diego Creek Watershed Natural Treatment System (2003) $400,000 to the Irvine Ranch Water District, California for the San Diego Creek Watershed Natural Treatment System (2004)	$1,030,000	Unknown	IRVINE RANCH WATER DIST	$992,800.00	7/16/2012	$691,400.00	Grant terminated
9	HI	2010	Maui County for infrastructure improvements at the Kamole Water Treatment Plant	$1,000,000	Inouye	COUNTY OF MAUI (DOWS)	$970,000.00	4/26/2012	$389,300.00	End of grant deobligation
9	NV	2001	$1,000,000 for water and wastewater infrastructure needs of the Moapa Valley, Nevada Water District	$1,000,000	Unknown	MOAPA VALLEY WATER DISTRICT	$998,230.00	2/27/2012	$635,200.00	End of grant deobligation
9	NV	2006	Searchlight sewer system upgrades/Clark County Reclamation District improvement project in Nevada	$650,000	Unknown	CLARK CNTY WATER REC DISTRICT	$1,006,100.00	4/2/2013	$587,477.00	End of grant deobligation
9	NV	2008	The Town of Overton for the Collection System Infiltration Study **Technically corrected to "The Clark County Water Reclamation District to conduct a collection system infiltration study for the town of Overton, Nevada" (March 2008)	$212,000	Reid; Porter	CLARK CNTY WATER REC DISTRICT	$203,000.00	8/1/2012	$31,800.00	End of grant deobligation
9	NV	2010	City of Carson City for the Marlette-Hobart water system improvements	$300,000	Reid; Ensign	CITY OF CARSON CITY	$339,000.00	5/11/2012	$33,200.00	End of grant deobligation
10	AK	1999	$1,000,000 for the City of Fairbanks, Alaska for water system improvements	$1,000,000	Stevens	MATANUSKA-SUSITNA BOROUGH	$475,000.00	2/21/2012	$12,800.00	End of grant deobligation
10	AK	2005	$1,300,000 to the Municipality of Anchorage, Alaska for Sand Lake Water Extension	$1,300,000	Stevens	MUNICIPALTIY OF ANCHORAGE AWWU	$5,572,200.00	2/16/2012	$51,700.00	End of grant deobligation
10	ID	2004	$500,000 to the City of McCammon, Idaho for wastewater system improvements	$500,000	Unknown	CITY OF MCCAMMON	$482,100.00	9/19/2012	$17.50	End of grant deobligation
10	ID	2005	$750,000 to the City of Pocatello, Idaho for water infrastructure improvements	$750,000	Unknown	CITY OF POCATELLO	$1,106,300.00	5/14/2012	$20,500.00	End of grant deobligation
10	ID	2006	Construction of a wastewater collection and treatment facility in Valley County, Idaho.	$600,000	Unknown	RECORDER AND AUDITOR'S OFFICE	$573,400.00	12/17/2013	$11,717.00	End of grant deobligation
10	ID	2008	The City of Hazelton for wastewater system improvements project	$469,000	Craig; Crapo	CITY OF HAZELTON, ID	$448,000.00	12/19/2012	$2,186.70	End of grant deobligation
10	WA	2008	The City of Longview for a water treatment facility	$500,000	Cantwell; Baird	CITY OF LONGVIEW, WA	$992,000.00	n/a	$700.00	Small balance never applied for
10	WA	2004	$200,000 to the City of Seattle, Washington for the High Point Natural Drainage System project	$200,000	Unknown	CITY OF SEATTLE OFC ECON DEV	$191,888.00	12/30/2013	$21,171.00	End of grant deobligation
10	WA	2009	The City of Snohomish, Washington Wastewater Treatment Plant Upgrade	$500,000	Cantwell; Larsen	CITY OF SNOHOMISH, WA	$485,000.00	8/7/2012	$4,700.00	End of grant deobligation
10	WA	2010	The City of Lacey for regional reclaimed water project	$500,000	Murray; Baird; Smith	CITY OF LACEY, WA	$485,000.00	7/1/2013	$71,684.63	End of grant deobligation

Total Returned Earmarks	$5,584,527.58
3% set aside	$167,535.83
Grand Total Returned Earmarks	$5,752,063.41

Voluntary Programs

Calvert Q72: For the record, please provide a list of what EPA considers to be "voluntary programs" and their fiscal year 2014 and FY 2015 proposed budgets. Please also include the Agency's definition of a "voluntary program".

Answer: This question was not answered by the Environmental Protection Agency and returned to the Subcommittee in time for inclusion into the public record.

Coal Ash

Calvert Q73: What is the Agency's current timeframe for a revised determination on the treatment of coal ash under RCRA?

Answer: Under the terms of the consent decree in APPALACHIAN VOICES et al v. JACKSON (US District Court for the District of Columbia, Case 1:12-cv-00523-RBW), EPA is required to sign for publication in the Federal Register a notice taking final action regarding EPA's proposed revision of RCRA subtitle D regulations pertaining to coal combustion residuals by December 19, 2014. EPA is on schedule to meet this deadline. The consent decree was filed on January 29, 2014 and entered by the court on May 2, 2014.

Lead in Ammunition or Fishing tackle

Calvert Q74: What is the Agency's current timeframe for a proposing a rule to regulate the lead content of ammunition or fishing tackle?

Answer: In 1994, the EPA proposed a rule under Section 6(a) of Toxic Substances Control Act to prohibit the manufacturing, processing, and distribution in commerce in the United States, of certain smaller size fishing sinkers containing lead and zinc, and mixed with other substances, including those made of brass (59 FR 11122, March 9, 1994). That proposal has not been finalized. In the 2005 Regulatory Agenda (70 FR 27625, May 16, 2005) and in the 2012 Federal Register Notice on EPA's disposition of the TSCA Section 21 petition (77 FR 10451, February 22, 2012), EPA indicated its intent to withdraw the proposal. The EPA is not working to finalize the proposed rule.

UST Annual Inspections

Calvert Q75: The Energy Policy Act of 2005 mandated that EPA and State inspect all underground storage tanks once every 3 years. Have EPA and the States been meeting this requirement? If not, please provide a list of States that currently do not meet the 3 year requirement and the frequency by which they are currently inspecting their universe of tanks.

Answer: Since EPA began tracking compliance in 2010, several states have missed the inspection requirement each by 10 to 150 inspections, out of a national universe of more than 200,000 facilities. Most of these states quickly returned to compliance and

addressed seasonal impacts and other inherent impediments that caused them to miss the requirement. The EPA has been working with states and will continue its active consultation with states to help address Energy Policy Act requirements.

Currently New York and Georgia are not meeting the Energy Act mandate of inspecting each tank within 3 years, at an estimated frequency of just more than 3 years for both. While the EPA is working with both states, we are working particularly with Georgia who has reached a more systemic shortfall without an apparent near-term solution. Georgia has lost several inspectors in recent years, and has not had the resources to re-hire. New York continues to work to meet the three year cycle. EPA has helped NY to close the gap and NY is hopeful they will meet the requirement in coming years. Another state, which is of concern to EPA is Texas. Texas has the largest tank population in the nation and has been able, with a significant investment of federal funding, to meet the Energy Policy Act inspection requirement. However, in coming years EPA will not be able to fully address the needs in Texas and expect that Texas may fall short. With recent reductions to LUST Prevention program resources in the FY 2013 and FY 2014 Enacted Budgets, we are working with all states to meet the 3-year inspection requirement but meeting the anticipated inspection needs will be a challenge.

State Formulas/Allocations

Calvert Q76: If EPA is proposing to change any programmatic formula or allocation by which funds are distributed to States, then please provide a list of proposed changes for the record.

Answer: There are several proposed changes the Agency is proposing for funds distributed to the states. We have provided a list below.

State and Local Air Quality Management STAG Allocation Formula: In FY 2015, EPA plans to begin transitioning funding for particulate (PM2.5) monitoring from Clean Air Act (CAA) Section 103 authority to CAA Section 105 authority over a four year period. EPA expects the transition to be complete at the beginning of FY 2019.

Also in FY 2015, EPA plans to implement an updated allocation formula for CAA Section 105 funding to states. The update will modernize an allocation formula that was developed in the early 1990s. The new allocation recognizes the changing landscape of air quality issues, the increasing workload being imposed on state and local air quality agencies, and the need to sustain effective program operations. To help mitigate the impact of the new allocation formula to state programs, we intend to implement a phased-in approach over a multi-year period beginning in FY 2015. This approach will include moderating shifts in funding so that no Region would experience a decline of more than 5% of its prior year funding level.

Underground Storage Tanks STAG Allocation Formula: In 2012, EPA updated its formulas for allocating LUST grant funds to states, for both the prevention and cleanup programs. The cleanup formula had remained unchanged since the 1990s. The update was necessary because of the decline in appropriations for state grants and the need to

have the allocation formula reflect the current needs and performance of the states. For example, some states were not using all of their grant funds and were carrying over balances, while other states had unmet needs, indicating that allocation revisions were needed. EPA worked closely with states as it developed revisions to the allocation formula.

The allocation formula is, however, only the first step in the allocation process. EPA's regions have more current information about individual state program needs, performance, and funding drawdowns. In addition to determining how best to distribute the cleanup performance funding pool, EPA's regions have the discretion to deviate from the formula as appropriate to better reflect state needs and performance. This has historically been an essential part of the allocation process and will continue to remain part of EPA allocation determinations.

In revising the formula, EPA followed the statutory requirements in section 9004(f)(2)(C) of the Solid Waste Disposal Act. The Underground Storage Tanks program held briefings with congressional staff to explain the need for allocation revisions.

Hazardous Waste STAG Allocation Formula: As part of the FY 2014 and 2015 President's Budget submissions, the agency committed to evaluate the allocation methodology for the state hazardous waste grant program under the Resource Conservation and Recovery Act (RCRA). The previous revision of the state grant allocation methodology occurred during the FY 1996 state grant distribution. Over the past year, the Office of Resource Conservation and Recovery (ORCR), has worked with states to revise the allocation methodology for hazardous waste grants under §3011 of RCRA. EPA plans to provide briefings to congressional staff on the details of the revised grant allocation methodology.

Toxic Substances Compliance STAG Allocation Formula: EPA is considering amending the TSCA STAG formula but has not reached a final decision. Before reaching a final decision, EPA will seek states' input into the proposed formula. The proposed TSCA funding allocation would be done in two phases. Phase 1 would begin in FY 2015 and Phase 2 in FY 2016.

Phase 1: Equal Formula.
An equal share to each Lead-based Paint, Asbestos and PCBs state/tribal program receiving a TSCA grant.

Phase 2: Weighted Formula.
The formula would weigh in favor of the Lead-based Paint program with more weight given to states that are authorized for the renovation, repair, and painting (RRP) program. This weighted formula reflects the current program priority and could be adjusted to reflect program priorities in the future.

Cleanup of Federal Hazardous Waste Sites

Calvert Q77: It has been a few years since the Committee has inquired about the progress of negotiations with the Department of Defense on the cleanup of hazardous waste sites. Please provide an update on any recent Federal Facility Agreements (FFAs) with the DOD or DOE as well as a summary of progress on the ongoing work to cleanup sites at Federal facilities.

Answer: With the signing of the September 20, 2013 Tyndall (FL) Air Force Base CERCLA FFA, there remain only two overdue FFAs (out of 174 federal facility Superfund cleanup sites nationwide) to be signed – the Army's Redstone Arsenal in Alabama and the 700 South 1600 East PCE Plume located near the George E. Wahlen Department of Veterans Affairs Medical Center in Salt Lake City. Negotiations are progressing satisfactorily on the 700 South 1600 East PCE Plume site which was listed by the EPA on the National Priority List (NPL) in 2013. Ongoing work to cleanup Federal facilities on the NPL is progressing. Additional information may be found: http://www2.epa.gov/fedfac/federal-facilities-national-priority-list-measures-and-accomplishments. EPA continues to pursue appropriate mechanisms, including through the use of enforceable agreements, to address contamination at Federal facility locations.

Guam Water and Wastewater Needs

Calvert Q78: What are the Agency's latest estimates for water and wastewater infrastructure needs on Guam and how does the fiscal year 2015 President's budget propose to address those needs?

Answer: The latest estimated need for Guam's drinking water and wastewater infrastructure is $598 million ($234 million drinking water and $364 million wastewater). The drinking water estimate, from the 2011 Drinking Water Infrastructure Needs Survey http://water.epa.gov/grants_funding/dwsrf/upload/epa816r13006.pdf represents the nation's drinking water utilities' need in infrastructure investments over the next 20 years for pipe as well as treatment plants, storage tanks, and other key assets to ensure the public health, security, and economic well-being of Guam's cities, towns, and communities. The wastewater estimate, from the 2008 Clean Watersheds Needs Survey (CWNS): http://water.epa.gov/scitech/datait/databases/cwns/2008reportdata.cfm) represents the capital needs for up to a 20-year period for publicly owned wastewater pipes and treatment facilities, combined sewer overflow correction, and stormwater management.

The FY 2015 President's budget provides a portion of the needs for Guam: $2.8 million from the Drinking Water State Revolving Fund and $3.9 million from the Clean Water State Revolving Fund for FY 2015. Nearly $62 million has been or will be provided to Guam from the SRFs since 2009 ($24.2 million from DWSRF and $37.2 million from CWSRF).

Needs reported in CWNS are based on documentation, such as Capital Improvement Plans, Master Plans, SRF loan applications, and engineer's estimates. For Guam, the needs reported are for the wastewater facilities managed by the Guam Waterworks Authority and do not include needs for military institutions and other federal facilities.

For the Drinking Water Infrastructure Needs Survey, data are collected in the form of capital improvement projects to determine the need. States and other agencies work with the surveyed systems to identify applicable projects. To be included in EPA's assessments, each project must be for a capital improvement, be eligible for Drinking Water State Revolving Fund (DWSRF) funding, for furtherance of the public health protection goals of the Safe Drinking Water Act (SDWA), and submitted with supporting information that documents the three other criteria are met. For Guam, the needs do not include needs for military institutions and other federal facilities.

Restrictions on Communication with Outside Parties

OECA's March 8, 2006 memorandum on "Restrictions on Communicating with Outside Parties Regarding Enforcement Actions" outlines the procedures and policy restrictions for Agency staff to follow with respect to the sharing of information related to enforcement actions, including communications with Congress. EPA has traditionally directed employees to not disclose information that will interfere with the proceedings.

It has been brought to the Committee's attention that EPA has shared information regarding the status of civil actions and investigations with certain Congressional members and staff prior to notifying companies. Further, EPA officials provided a letter summarizing the results of an Agency audit to Congressional staff prior to providing those results to the company. Congressional staff then released this information to outside entities. This information suggests that some Agency officials may be acting in a manner contrary to those restrictions outlined in the 2006 memorandum. This is of particular concern to the Committee as unauthorized disclosures prior to a final determination could be prejudicial or promote controversy. Further, given the sensitivities associated with proposed enforcement actions such actions foster an adversarial relationship rather than a collaborative approach to voluntarily address Agency concerns.

Calvert Q79: Would the actions as described above constitute a violation of EPA's policy on communication with outside parties regarding enforcement actions?

Answer: Per the *Restrictions on Communicating with Outside Parties Regarding Enforcement Actions* policy, if an EPA employee receives any such communication or request for case-specific information by Members of Congress or their staff, the employee should refer the requests to EPA's Office of Congressional and Intergovernmental Relations (OCIR) or the regional Congressional liaisons. The Agency is committed to continuing our practice to share this important policy with staff to ensure compliance.

Calvert Q80: Is the aforementioned 2006 memorandum still the governing document that represents EPA's policies on communication with outside parties regarding enforcement actions? Or have there been subsequent updates to the 2006 memorandum?

Answer: The 2006 memorandum is the most recent version, and is available to all OECA

employees both on EPA's intranet website as well as the agency's internet website – please see http://www2.epa.gov/sites/production/files/documents/commrestrictions-nakayamamemo030806_0.pdf.

Calvert Q81: Was 2006 the last time that the memorandum was circulated to EPA staff? If so, would the Agency commit to recirculating the memorandum as a reminder of Agency policy?

Answer: As discussed in our earlier response, the policy is posted on the internet and agency's intranet site. It is also circulated to OECA staff on an as needed basis when situations arise within the scope of the policy and was recirculated to the Regions in 2013. It is also discussed at meetings when there is a major hurricane or disaster event involving EPA that is likely to generate interest and questions from Members of Congress. We also recirculate the policy to staff working on enforcement matters related to such events (most recently in connection with Hurricane Sandy). We are committed to continuing our practice of sharing this important policy with staff to ensure compliance.

Questions from Mr. Simpson

Waters of the U.S.

Administrator McCarthy, it should come as no surprise that, like Chairman Rogers and Chairman Calvert, I am deeply concerned about the proposed rule that you released on Tuesday expanding the EPA's jurisdiction under the Clean Water Act. I am vehemently opposed to the federal government threatening state sovereignty by claiming jurisdiction over waters that are currently regulated by the state. In Idaho, we call that a declaration of war.

In addition, frankly, I cannot understand why you would decide to issue a proposed rule before the scientific review of the connection between water bodies is complete. That alone leaves me in doubt as to whether this rule has any scientific validity.

Simpson Q1: Why would you draft, much less publish, a proposed rule before the research is complete?

> **Answer:** In the case of the proposed rulemaking for the definition of "waters of the U.S." under the Clean Water Act (CWA), the EPA's Draft Connectivity Report ("Connectivity of Streams and Wetlands to Downstream Waters: A Review and Synthesis of the Scientific Evidence") provides a review and synthesis of the published, peer-reviewed scientific literature regarding the effects that streams, wetlands, and open waters have on larger downstream waters such as rivers, lakes, estuaries, and oceans. The draft report already has undergone both internal and external peer review and is now being reviewed by the EPA's independent Science Advisory Board (SAB). The SAB published its draft peer review on April 1 and has scheduled public meetings to discuss the draft review on April 28 and May 2. The SAB expects to issue a final peer review report later in 2014. The EPA has committed that the rule will not be finalized until the SAB review and the final Connectivity Report are complete.

One of my biggest concerns over redefining "waters of the U.S." is the impact that expanding the federal government's jurisdiction over water will have on farmers and ranchers. If you could, would you clarify a couple of matters for me:

Simpson Q2: The list of agricultural exemptions that EPA has released only applies to Section 404 (dredge and fill) of the Clean Water Act. Is that correct?

> **Answer:** Yes, the agricultural exemptions in the interpretive rule apply only to Section 404 of the Clean Water Act.

Simpson Q3: Why are you doing these in an interpretive rule as opposed to including them in the regulation itself?

> **Answer:** The proposed rule on the Waters of the U.S. defines the waters subject to the Clean Water Act. The interpretive rule, on the other hand, clarifies the applicability of the exemption from permitting provided under Section 404(f)(1)(A) of the Clean Water Act

associated with certain agricultural conservation practices. Because jurisdiction and permitting are separate actions, the EPA and the Corps of Engineers chose to use separate actions.

Simpson Q4: As I understand it, these 'exemptions' can be revisited at any time by the agency and be either narrowed or even repealed. Is that the case?

Answer: The EPA, the Army, and the U.S. Department of Agriculture have signed a Memorandum of Agreement that describes how the agencies will revisit the conservation practices considered exempt from permitting under Clean Water Act Section 404(f)(1)(A). The agencies have agreed to annually review and update, as necessary, the range of Natural Resources Conservation Service's agricultural conservation practices that may include discharges to waters of the United States that are eligible for the exemption.

Simpson Q5: As I understand it, a farmer engaging in these normal activities would have it adhere to NRCS standards in order to avail himself or herself of the exemption. Is that true? Has that always been true? If not, isn't it a fact that you are establishing a new Federal requirement for farmers to be able to use the 404 exemptions?

There is a wide range of agricultural activities that are not related to dredge and fill - applying pesticides, for instance. As I understand your proposal, the list of exemptions does not deal at all with NPDES permit requirements that arise in section 402 of the Act.

Answer: Certain agricultural practices such as plowing are explicitly (in the statute) exempt from permitting under Clean Water Act Section 404. There are no Natural Resources Conservation Service (NRCS) standards for these practices. Under the interpretive rule, the EPA and Corps of Engineers, with assistance from NRCS, identified 56 additional specific agricultural conservation practices that are newly identified as exempt from permitting under Section 404. These practices are defined by the accompanying NRCS technical standards, which is why the interpretative rule relies on agriculture producers to follow the NRCS' technical standards. The interpretive rule provides greater clarity for farmers and ranchers interested in using the exemption for these NRCS-defined practices. It does not add any new requirements for practices already covered by the exemption.

There is a wide range of agricultural activities that are not related to dredge and fill - applying pesticides, for instance. As I understand your proposal, the list of exemptions does not deal at all with NPDES permit requirements that arise in section 402 of the Act.

Simpson Q6: If these areas – ditches, grass waterways and others – are 'waters of the US' under your proposal, isn't it true that farmers are going to need NPDES permits for these activities?

Answer: It is important to emphasize that the proposed rule would not expand the scope of CWA jurisdiction with respect to agricultural ditches. In fact, we have clarified for the first time in a rule that many ditches and grassed waterways are never jurisdictional. As a result, we do not expect the proposed rule will have an overall effect on the need for

farmers to obtain NPDES permits for discharges to ditches on their lands. The proposed rule will benefit landowners, including the nation's famers, by making the definition of waters of the U.S. easier to understand and implement, including clarifying waters that are never covered under CWA. The interpretive rule expands the list of specific activities, consistent with the statutory language that would not require a Section 404 permit even if they do involve discharges of dredge or fill material to waters of the U.S. on agricultural lands.

Simpson Q7: If a ditch or a grass waterway on a farmer's property is a 'water of the US,' is it true that any activity falling outside the 404 exemption list could be subject to a 402 permit, assuming it is a discharge?

Answer: Because the proposed rule does not expand the scope of CWA jurisdiction, and even clarifies, for the first time in a rule, types of ditches and grassed waterways that are never jurisdictional, the proposed rule would not have an overall effect on the need for farmers to obtain NPDES permits for discharges to waters on their land.

State Primacy

As you know, the state of Idaho recently passed legislation that will eventually lead to the state claiming primacy on the Clean Water Act. The state will spend millions on the multi-year transition to primacy, and once it gains primacy it will spend millions each year on its program. I am told that no federal funds exist to assist the state with the transition or with the ongoing program once it is up and running.

Simpson Q8: So I guess my question is this - if a state is going to spend millions to run a program now run by the EPA, and is going to hire dozens of people to handle a program now run by federal employees, why are there no savings to your agency and why is there no assistance to the state in running the program? Help me understand why the federal program doesn't shrink at the same time that the state program grows? And if it does shrink, why aren't some of the savings made available to states taking on this responsibility?

Answer: The EPA supports Idaho's desire to seek and develop an NPDES permits program. EPA will be working in close partnership with the state during this multi-year effort in order to develop an effective and sustainable program.

With regard to potential cost savings to the EPA resulting from Idaho's program approval, EPA has recent experience to draw from with the authorization of Alaska's program in 2008. Based on this experience, the EPA anticipates a need for regional staff to assist Idaho in assembling an approvable program package throughout the authorization review process. In addition, the EPA anticipates regional technical assistance during the early transition years prior to full program implementation. Once full state program implementation is achieved in Idaho, the EPA would continue in an oversight role by providing permit review and ongoing technical assistance. The EPA also will need to continue to address other program priorities where the EPA is the permit authority, including issuing permits in Indian Country throughout the region and with permitting in federal waters off the coast of Alaska, Washington, and Oregon.

Concerning federal financial assistance, Idaho will continue to receive annual grant funding under Section 106 of the Clean Water Act. However, consistent with the regulations to allocate these grant funds, the level of funding will not change if Idaho obtains approval for the NPDES program. However, states do have flexibility in the allocation of these funds among the various eligible programs.

Modernizing EPA, including its partnership with the States, is a central theme of EPA's 2015 Budget. Strengthening the partnership with States and increasing the efficiency of EPA's core functions are both key to building a high performing environmental protection enterprise. EPA will redesign its business processes, including contracts and grants management, the regulation development process, and records management, and implement approaches, such as strategic sourcing, in order to increase EPA's effectiveness in an environment of constrained resources.

Stormwater

In June 2012, EPA released the Integrated Municipal Stormwater and Wastewater Planning Approach Framework that laid out a new model to help communities meet their regulatory obligations under the Clean Water Act (CWA) in an integrated manner. If successfully implemented, this model could help communities more affordably manage their clean water obligations while ensuring continuous progress toward water quality goals.

To date, however, only a handful of communities have come forward to express an interest in working with the Agency on this initiative and our understanding is that, for the most part, these communities are ones that are engaged in consent decree negotiations or are operating under an EPA enforcement action. The true test for this new framework will be whether communities that are not facing an enforcement action but have large water quality challenges nonetheless can use the Integrated Planning approach – as it has come to be known – to meet these challenges more affordably. But, these communities may need some help to develop plans in order to take advantage of this model and these plans will cost money, some upwards of hundreds of thousands of dollars.

So last year, we suggested that a small amount of money be set aside in EPA's budget to support 10 to 20 pilot communities to demonstrate and evaluate the effectiveness of this model. This appropriations request had broad bi-partisan support in both the House and Senate but in final conference negotiations we weren't able to get it across the finish line in part because we couldn't convince the Agency that supporting pilot communities with planning grants would help further their own initiative.

Simpson Q9: We'd like to try again this year and what I'd like to know is, will we have the support of the agency to undertake this pilot effort in order to demonstrate and evaluate the effectiveness of the Integrated Planning model to help communities meet their water quality goals?

Answer: The EPA agrees that integrated planning can help municipalities meet their Clean Water Act (CWA) obligations more affordably. The EPA encourages municipalities to consider sustainable solutions, such as green infrastructure, when they

develop integrated plans. Using green infrastructure, in combination with gray infrastructure, can help municipalities achieve their water quality goals and can provide many other benefits as well, including making their communities more livable, reducing urban heat island effects, and reducing flooding, to name a few.

The EPA is facing challenging resource constraints and must balance many competing needs with the desire to support all worthwhile proposals, such as helping pilot communities develop integrated plans. The Agency is committed to working with municipalities that are interested in developing integrated plans and the EPA is looking for opportunities to do this within our current budget constraints.

Climate Change

Simpson Q10: Administrator McCarthy, can you please elaborate on the EPA's climate priorities, as reflected in the FY2015 budget proposal? It appears to me that while funding for the agency overall is down, climate initiatives appear to be getting an increase.

Answer: This question was not answered by the Environmental Protection Agency and returned to the Subcommittee in time for inclusion into the public record.

Fish Consumption

EPA, during the recent webinar of the fish consumption survey for Idaho tribes, stated that they intend to derive historical/heritage fish consumption rates. EPA rules require that state and tribal water quality criteria to be based on "sound scientific rationale" (see 40 CFR § 131.11(a)(1)).

Simpson Q11: How will EPA meet this requirement for sound scientific rationale in the determination of historical/heritage fish consumption rates? Also, what is the basis for using an "aspirational" or "heritage" fish consumption rate for the establishment of water quality criteria without such "rates" being speculative?

Answer: On December 13, 2013, EPA approved human health criteria for the Spokane Tribe consistent with EPA regulations at 40 CFR 131.11(a) "based on sound scientific rationale" that supported the Tribe's decision to ensure water quality sufficient to support traditional subsistence practices, which is fundamentally a question of tribal policy and within the Tribe's authority under the Clean Water Act (CWA). EPA evaluated the scientific defensibility of the assumptions and methodology the Tribe used in deriving criteria to protect its water quality goals, including the derivation of fish consumption and drinking water rates characteristic of the Spokane Tribe's subsistence traditions. EPA also evaluated whether the Tribe's criteria are sufficient to protect not only Section 304(a) fishable/swimmable goals, but also the goal of protecting fish consumption and drinking water rates characteristic of traditional subsistence lifestyle. EPA intends to use the same methodology for future Tribal water quality standard decisions that are based on subsistence/historical/heritage fish consumption rates. It should be noted that CWA Section 510 establishes that EPA "may not disapprove either Tribal or State standards solely on the grounds that the standard is too stringent."

Executive Order 13563, which discusses improving regulation and regulatory review, emphasizes regulations being "based on the best available science," that public participation occur through an "open exchange of information and perspectives", and that agencies provide "timely online access... including relevant scientific and technical findings."

Simpson Q12: How will EPA comply with this Executive Order in relation to the fish consumption survey? For example, will EPA make all underlying data (excluding the identity of personal tribal members) available for the public to review and analyze?

> **Answer:** EPA has ownership of all data collected, evaluated, and reported in connection with the Idaho tribal fish consumption surveys. EPA's policy (EPA Order 1000.17 Change A1 Policy and Procedures on Protection of Human Research Subjects in EPA Conducted or Supported Research) for human subjects requires that the study protocol be reviewed by the Human Subjects Research Review Officer, and if necessary under that policy, by an Institutional Review Board to ensure that proper protections will be in place for protection of human subjects. EPA will inform the tribal governments of any third party request for information collected, evaluated, or reported as part of the tribal fish consumption survey, and shall invite the tribal government whose information is the subject of the request to consult formally under applicable federal law, executive orders, agency policies, or directives prior to EPA disclosing or otherwise taking any action with respect to the third party's request for such information. Once the tribal government consultation is completed, EPA will share the requested information. Personally identifiable data that is associated with individuals will never be shared at any time during or after this work effort.

Simpson Q13: The EPA tribal survey relies upon recommendations set forth in a 2002 report by the National Environmental Justice Advisory Council (NEJAC). Since the recommendations in the NEJAC Report are not binding requirements under the Clean Water Act, how does EPA propose to rely upon the recommendations in the NEJAC Report in advising Idaho how to develop appropriate human health criteria?

> **Answer:** EPA has made environmental justice a priority. All the work we do with our tribal and state partners takes into account environmental justice considerations. At the same time, EPA's water quality standards are conducted in accordance with EPA regulations and guidance. For developing appropriate human health criteria, EPA uses EPA's 2000 Methodology for Deriving Ambient Water Quality Criteria (AWQC) for the Protection of Human Health as the primary guidance. EPA's preference is that states and tribes adopt human health criteria reflecting local fish consumption rates. Since 2000, EPA has published additional technical guidance to assist states, territories, and tribes in implementing the above recommendation, and provides technical assistance where needed. The guidance is available at http://www.epa.gov/waterscience.

EPA is planning to have a peer review panel to review the tribal surveys. Such a peer review process is consistent with the Presidential Memorandum on scientific integrity (March 9, 2009).

Simpson Q14: How will EPA select the members of the peer review panel? Will EPA give consideration to nominations from the public for such a panel?

> **Answer:** EPA believes that the purpose of peer review of the Idaho tribal fish consumption surveys, scheduled to occur in August 2015, is to determine the technical quality of the surveys. Candidates for the peer review process must have proven expertise in relevant technical areas and should not have an interest in the outcome of the peer review process to the maximum degree practicable. EPA would welcome suggestions for candidates from the public for the peer review process consistent with these criteria.

Questions from Mr. Joyce

Bedbugs and EPA's denial of the use of insecticide propoxur in Ohio

In the fall of 2009, the Ohio Department of Agriculture, in recognizing the seriousness of the state's bed bug problem, requested that the U.S. EPA grant the state a public health exemption to allow authorized state certified pesticide applicators the use of insecticide propoxur to treat for bed bugs in certain settings. In June of 2010, your predecessor at the EPA wrote then-Governor Ted Strickland declining Ohio's request. Unfortunately, Ohio has not heard anything since late 2010 from the EPA in our request to use propoxur to get rid of bed bugs.

Joyce Q1: Is there any information you can provide on why the response has been delayed?

Answer: EPA has been in contact with Ohio several times since receiving the 2009 emergency exemption request for propoxur. We did not deny the request in 2010, but rather explained that our scientists had carefully reviewed it and concluded that the agency was unable to make the necessary safety findings as required by the Food Quality Protection Act and the Federal Insecticide, Fungicide, and Rodenticide Act. The EPA invited Ohio to submit additional data that could allow us to refine the risk, which could possibly allow the Agency to make the safety finding. The data we had in-house indicated an unacceptable risk to children who might be exposed to propoxur in and around rooms treated for bed bugs. Propoxur, along with other members of its chemical class, is known to cause nervous system effects. The agency's health review for its use on bed bugs suggests that children entering and using rooms that have been treated may be at risk of experiencing nervous system effects. The specific exposure scenario of most concern involves hand-to-mouth behaviors on the part of children.

EPA has been in touch with Ohio as recently as April 11, 2014, when we formally responded to another inquiry about propoxur. Again, the EPA has indicated to the State of Ohio that, if it still wishes to pursue a request for an emergency exemption to use propoxur, the state must submit updated information to address the identified risks of propoxur and the availability and adequacy of alternative methods of controlling bed bugs.

Joyce Q2: And if insecticide propoxur will not be approved by the US EPA, can you provide any chemicals that would help reduce the bed bug problem?

Answer: Since 2009, and even earlier, EPA has been very proactive in working with the states and communities in the fight against bed bugs. The Agency has implemented a multi-prong strategy which emphasizes: encouraging the development of new tools by expediting all new product and new use registrations for bed bug control; providing objective, science-based information through communication materials and our dedicated web page; and collaborating with our federal partners and working with state and local governments. The EPA continues to support pest management professionals and other members of the public who fight bed bugs on a daily basis.

In general, states request an emergency exemption request under FIFRA Section 18 for pest problems when there are no alternatives for controlling the pest. There have been numerous new pesticides registered for bed bug control since 2009. Many of these newer products are showing good efficacy in both field and laboratory studies and research has shown that several of these products have a long lasting residual effect. As an example, in December 2013, a study was published in Pest Control Technology magazine examining the residual effectiveness of two recently registered products. Both of these are combination products that contain two active ingredients, one a pyrethroid and the other a neonicotinoid. The article stated that both products demonstrated long-term efficacy against both bed bugs and their eggs.

As a result of the efforts of EPA and others, the bed bug situation looks very different than it did in 2009. Though bed bugs are still very much a problem, particularly in multi-family housing, there are more tools and control techniques that are quite effective. In addition, the public is far more educated and able to participate in efforts to prevent bed bugs from ever taking hold, detecting them early before an infestation becomes severe, and in actively fighting them if an infestation does occur.

Questions from Mr. Valadao

Renewable Fuel Standard

It is my understanding EPA has not yet finalized blending targets for the Renewable Fuel Standard for 2014. EPA's November proposal took a common sense approach by setting the mandate to hold biofuel production constant because consumers and their vehicles just can't handle any more ethanol.

Yet, at a January conference of state Departments of Agriculture, press reports quoted you as saying, " 'I have heard loud and clear that you don't think we hit that right,' and that given all the feedback, the final rule when released will be 'in a shape that you will see that we have listened to your comments.' "

To me, these comments suggest that EPA may reconsider its previous RFS proposal to appease agriculture interests to the detriment of consumers.

Valadao Q1: Should your comments be taken to mean consumers will have to continue using more and more ethanol, regardless of what their vehicles were designed to handle?

> **Answer:** As indicated at the January conference, the agency will continue to listen to input from stakeholders, and that remains the case. Since the 2014 RFS volume requirements were proposed, we have met with multiple stakeholders to listen to their input on the proposed rule and to solicit any new and relevant data that should be factored into setting the volume standards for 2014. These stakeholders include representatives from the biofuel sector, the agricultural sector, petroleum refiners, environmental groups, and other organizations and sectors. In addition to stakeholder meetings, we are continuing to review and consider submitted comments from all parties. That too, is the case, for not only biofuel stakeholders but for all other stakeholders as well. To date, we have received over 300,000 comments on the proposal.

Valadao Q2: According to your assessment of the law, does EPA have the authority to finalize a rule outside of the existing November proposal?

> **Answer:** The EPA will finalize the 2014 RFS volumes in full accordance with applicable law, including requirements related to the notice and comment process. EPA is currently in the process of reviewing the comments received on the proposal and gathering additional data and information. EPA will reflect this in the standards in the final rule.

It is my understanding the volume of cellulosic biofuel (up to 9 million gallons of cellulosic biofuel) mandated by the RFS proposed rule relies heavily on a company named KiOR. However, I'm told that analysts are now expecting KiOR to file for bankruptcy next week. EPA's proposal projects that any company currently in biofuels production will only continue to increase its production. As a result, the oil industry could have to buy EPA RFS credits if EPA sets its RFS standard too high and the fuel isn't produced. In any business, continually increasing production is far from a certainty.

Valadao Q3: Will EPA include and consider an assessment of the financial stability of the companies it relies upon to produce biofuels when setting cellulosic production mandates?

> **Answer:** Each year, the EPA sets the required volume for cellulosic biofuels by assessing likely production levels for the following year. In order to determine projections of cellulosic production, we identify the subset of cellulosic biofuel producers that is expected to produce commercial volumes of qualifying cellulosic biofuel for use. To arrive at a projected volume for each facility, we develop company-specific projections based on discussions with cellulosic biofuel producers, the Energy Information Administration (EIA), the Department of Agriculture (USDA), and the Department of Energy (DOE). We also take into account a number of factors, including the current and expected state of funding for each production source. A detailed explanation of this process is included in the 2014 proposed rulemaking.

Valadao Q4: EPA is habitually late in issuing RFS rules. What plan do you have to get the rulemaking process back on track, and will the 2015 Final Rule be issued on November 30th, as required by law? Will it be released when the 2014 RFS volumes are released?

> **Answer:** We agree that the RFS rulemaking process needs to get back on schedule. The RFS touches a range of complex environmental, energy, and agricultural issues, and the need to provide public notice and comment adds to the timelines for issuing annual standards. The EPA is currently considering how to improve our internal regulatory review processes in order to meet established deadlines.

Valadao Q5: Are you aware of the numerous studies, some of which are from government agency sources, which have found that the RFS increases demand for corn, which in turn raises the price of numerous food commodities and that these increased costs to businesses in the food industry supply chain are ultimately passed on to consumers in the form of higher food prices? For example, the CBO, the USDA's Economic Research Service, the National Research Council and the Congressional Research Service have all issued studies to this effect. Are you aware of these?

> **Answer:** We are aware of such studies. In addition, the EPA has examined various impacts of the RFS program, including impacts on different commodity prices. For example, the EPA issued a regulatory impact analysis (RIA) for the March 26, 2010 RFS final rule, which implemented the requirements of the Energy Independence and Security Act (EISA) of 2007. That RIA provided a detailed assessment of a wide variety of key impacts from the RFS program. The EPA's analysis addressed impacts of EISA's requirements both on U.S. food prices and global food consumption, and contains explicit information about the assumptions and limitations of the data used to support the analyses.

Valadao Q6: Are you aware of the devastating impact the RFS has had on the livestock, dairy and poultry industries in recent years? The RFS has raised the price of animal feed for animal

farmers. Some have gone out of business as a result. The National Research Council found, in a 2011 study of the RFS that the impact of biofuels on the retail price increase of broiler meat during 2007-2009 was in the range of 5.8 to 11.6%.

Answer: The EPA hears on an ongoing basis from stakeholders concerning their perspectives on the impacts of the RFS program. This includes information we have received from various parts of the agricultural sector, including livestock, dairy, and poultry producers, concerning impacts on animal feed. In addition, the EPA has examined various impacts of the RFS program, including impacts on different commodity prices. For example, the EPA issued a regulatory impact analysis (RIA) for the March 26, 2010 RFS final rule, which implemented the requirements of the Energy Independence and Security Act (EISA) of 2007. That RIA provided a detailed assessment of a wide variety of key impacts from the RFS program. The EPA's analysis addressed impacts of EISA's requirements both on U.S. food prices and global food consumption, and contains explicit information about the assumptions and limitations of the data used to support the analyses.

Valadao Q7: In that same study the NRC estimated that a 20-40% increase in the price of corn, which is actually at the low end of what we've seen since enactment of the RFS, results in a 2-4% increase in prices of corn-based food products at the retail level. Retail prices are what consumers pay, so there's a direct impact on consumers from this policy.

Answer: As mentioned in the answer to your question 005 above, we are aware of such analyses. Stakeholders affected by the RFS program provide data and information on such topics to the EPA on a regular basis. In addition, the RIA mentioned above included an analysis on anticipated food price impacts.

Valadao Q8: According to our own CRS, the RFS will raise annual food costs by $3 billion by 2022. Did you know that food price inflation since full implementation of the RFSII in 2008 has gone from slightly lower than general inflation to 60% higher than general inflation?

Answer: As mentioned in our answers above, the EPA hears on a regular, ongoing basis from stakeholders concerning their perspectives on the impacts of the RFS program. In addition, the EPA has examined various impacts of the RFS program, including impacts on different commodity prices. For example, the EPA issued a regulatory impact analysis (RIA) for the March 26, 2010 RFS final rule, which implemented the requirements of the Energy Independence and Security Act (EISA) of 2007. That RIA provided a detailed assessment of a wide variety of key impacts from the RFS program. The EPA's analysis addressed impacts of EISA's requirements both on U.S. food prices and global food consumption, and contains explicit information about the assumptions and limitations of the data used to support the analyses.

Valadao Q9: What can EPA do to relieve some of these costs for consumers?

Answer: The EPA issued a regulatory impact analysis (RIA) for the March 26, 2010 RFS final rule, which implemented the requirements of the Energy Independence and Security Act (EISA) of 2007. That RIA provided a detailed assessment of a wide variety of key impacts from the RFS program, including costs of the program.

Section 211(o)(7) of the Clean Air Act allows the Administrator of EPA, in consultation with the Secretaries of Agriculture and Energy, to waive the requirements of the RFS under certain criteria. The waiver could be issued if the Administrator determines -- after a notice and comment period -- that implementation of the RFS requirements would severely harm the economy or environment of a state, a region, or the United States. The EPA has responded to waiver requests submitted under this provision of the Clean Air Act in the past, and our decisions in response to the petitions provide a detailed explanation of our interpretation of the statute and the EPA's analytical process. For example, please see the decision issued in 2012, at http://www.gpo.gov/fdsys/pkg/FR-2012-11-27/pdf/2012-28586.pdf.

Hydraulic Fracturing

Valadao Q10: You have said that hydraulic fracturing can be done safely and have agreed with former EPA Administrator Lisa Jackson that there have been no confirmed cases of hydraulic fracturing impacting drinking water. Given that the President's Climate Action Plan relies heavily on the use of natural gas, what is your vision for educating the American public that hydraulic fracturing is safe, creates jobs, and has lowered American energy prices?

Answer: This question was not answered by the Environmental Protection Agency and returned to the Subcommittee in time for inclusion into the public record.

I am very concerned that the hydraulic fracturing study that EPA has been working on now for over four years has gone beyond Congressional intent and has expanded in scope. As I understand it, the request to EPA in the FY 2010 appropriations report was to study any link between hydraulic fracturing and drinking water. I understand the agency is now undertaking several new research areas and may have 30 or more separate reports as part of this study. Four years later, I am hearing concerns about how EPA is conducting the study and that the agency seems to be studying every water issue related to oil and gas development rather than focusing on fracking.

Valadao Q11: Many are becoming concerned that the EPA fracking study is moving beyond the scope given it by Congress. Would you care to respond to that and what is the EPA's current timeline for completing its study? What are current total costs to EPA date related to the study? What do you expect to be the total costs of the study when finalized?

Answer: This question was not answered by the Environmental Protection Agency and returned to the Subcommittee in time for inclusion into the public record.

Valadao Q12: As I understand it, EPA plans to release the fracking study to the public at the same time it is submitted to the Science Advisory Board for peer review. Is it normal for EPA to

release its scientific studies before peer review is completed? Are you concerned that by releasing the study before peer review is completed the EPA is setting itself up for a situation in which it may have to back track on findings that do not stand up to peer review. Couldn't that result in the public being unnecessarily scared or misled?

Answer: This question was not answered by the Environmental Protection Agency and returned to the Subcommittee in time for inclusion into the public record.

Waters of the United States

Valadao Q13: Your agency is developing a rulemaking to redefine "water of the U.S.". A coalition of industry groups has critiqued a leaked version of your economic analysis for this rule. Is it true that in looking at costs your agency did not update 20 year old studies for inflation? Did EPA analyze each program under the Clean Water Act and whether that program would be expanded with this change and by how much?

Answer: The cost estimate in the economic analysis was based on 2010 dollars, and all cost and benefit information was adjusted accordingly. The EPA analyzed the proposed rule's expected impact to each program under the Clean Water Act. The methodology and findings are documented in "Economic Analysis of Proposed Revised Definition of Waters of the United States," September 2013, which is in the docket for the proposed Waters of the U.S. rule. The agency invites comments on this document as part of the public comment period on the proposed rule.

Valadao Q14: How long does it take and how much does it currently cost on average to get a nationwide permit under the Clean Water Act? Is it safe to say that increasing the number of waters under federal regulation, especially if you're including ditches, dry streams, and isolated ponds and puddles, will increase the average time it takes to get a permit and will increase the average cost to get a permit?

Answer: Clean Water Act Section 404 permits are issued by the U.S. Army Corps of Engineers, not by EPA, so specific expertise regarding the cost and processing time for these permits lies with the Corps. EPA and the Corps developed an economic analysis of the expected benefits and costs of the agencies' proposed "Waters of the U.S." rulemaking, which is available at: http://www2.epa.gov/sites/production/files /2014-03/documents/wus_proposed rule_economic_analysis.pdf. The agencies believe that the proposed rule will benefit businesses by increasing efficiency in determining coverage of the Clean Water Act.

The agencies' proposed rule does not protect any new types of waters that have not historically been covered under the Clean Water Act. The rule also clarifies for the first time in regulation that many types of waters including farm ponds, gullies, rills, non-wetland swales, and puddles are not jurisdictional "waters of the U.S."

Valadao Q15: We are under a drought in CA. Can you tell me: If I have a dry stream right now, but by some miracle we get rain and the stream bed has some flow for a short time that dries up before it gets to a larger body of water, with 100 percent certainty can you tell me whether that stream bed is or is not a "water of the U.S."? That scenario is typical of those that exist on many agricultural lands. If you cannot answer my question with 100% certainty, then how can you tell farmers and ranchers that they have nothing to worry about with respect to the Waters of the U.S. Rule?

> **Answer:** The proposed rule published by the EPA and the U.S. Army Corps of Engineers will help provide additional clarity regarding waters that are and are not jurisdictional under the Clean Water Act. The agencies' proposed rule would not protect any new types of waters that have not historically been covered under the Clean Water Act and is consistent with the Supreme Court's more narrow reading of Clean Water Act jurisdiction. Consistent with the more than 40-year practice under the Clean Water Act, the agencies make decisions regarding the jurisdictional status of particular waters almost exclusively in response to a request from a potential permit applicant or landowner asking the agencies to make such a determination. As such, determining jurisdiction of a particular waterbody is a case-by-case, fact-specific determination, which the agencies believe will be made more straightforward under the proposed rule.
>
> Under the proposed rule, if the stream flows to a Traditional Navigable Water, Interstate Water, or Territorial Sea, including intermittent and ephemeral flows, and there is an Ordinary High Water Mark (OHWM), and bed and banks, the stream would be classified as a tributary and would be considered to be a water of the U.S. In terms of clarity to the regulated public, this is an improvement from the current rule because the proposed rule includes a regulatory definition of the key regulatory term "tributary."

Valadao Q16: If I am a land owner and EPA has told me through a jurisdictional determination that my dry stream bed is not a "water of the U.S." can a third party still sue me under the Clean Water Act if they disagree with the EPA's determination?

> **Answer:** An Army Corps of Engineers or EPA jurisdictional determination would not be binding on a 3rd party in a citizen suit enforcement action. However, we believe the agencies' expert opinion would be an important factor to which any Court hearing such a suit would give substantial weight.

Herbicide-Tolerant Crops

Weed resistance is not a problem unique to biotech crops. Ensuring farmers have access to multiple modes of action to address weed resistance is very important. One way to help farmers is to ensure they have access to new herbicide-tolerant crops. I understand USDA has not yet deregulated products that will give farmers some additional ammunition against stubborn weeds and that EPA continues to wait for USDA's deregulation decisions before taking action on herbicide approvals.

Valadao Q17: Can you help me understand why it is taking so long for these crops to get into the marketplace? Is your agency required to wait on USDA's deregulation before the EPA takes action? Are USDA and EPA efficiently coordinating the deregulation of herbicide-tolerant crops? If so, what coordination has occurred that can be quantified as an improvement in coordination between the agencies?

Answer: The EPA recognizes that weeds are becoming increasingly resistant to glyphosate-based herbicides and are posing a problem for farmers. USDA is responsible for deciding whether to deregulate crops genetically engineered to tolerate herbicide use. The EPA is responsible for regulating the use of herbicides on such crops.

On April 30, 2014, the EPA made available for public comment a proposed decision to register *Enlist Duo* containing glyphosate and the choline salt of 2,4-D for use in controlling weeds in corn and soybeans genetically engineered to tolerate 2,4-D. EPA's action would provide an additional tool to reduce the spread of glyphosate resistant weeds. The EPA worked closely with USDA to ensure a thorough scientific review of the potential impacts on human health and the environment to support the EPA's proposed decision. This close coordination will enable the EPA to take final action on *Enlist Duo* shortly after USDA makes its decision on deregulation of the genetically-engineered crops.

Questions from Mr. Stewart

SAB and Water Connectivity

As you know, the Environmental Research, Development and Demonstration Act of 1978, or ERDDAA, states that the EPA "shall establish a Science Advisory Board which shall provide such scientific advice as may be requested by...the Committee on Science, Space and Technology."

You are responsible for appointing members of the EPA's Science Advisory Board. This panel exists to "provide such scientific advice as may be requested" by Congressional Committees of jurisdiction. Despite this statutory requirement, your Office of Congressional and Intergovernmental Relations has prevented the Science Advisory Board from responding directly to requests for scientific advice by the Science Committee, including on critical ongoing reviews related to the Clean Water Act and hydraulic fracturing.

Stewart Q1: I've checked the report accompanying ERDDAA. It indicates that the goal was to "allow Congress to request scientific advice from the EPA Science Advisory Board without the SAB being obligated to seek permission from the Administrator before providing such advice to the Congress." (HR Rep No. 96-959 at 58 (1980). In your view, does the SAB need to ask your permission to respond to requests for scientific advice to Committees of jurisdiction?

> **Answer:** Discussions have been ongoing regarding the proper lines of communication between members of Congress and appointed members of EPA's federal advisory committees. A recent memorandum from the Chief of Staff, dated April 4, 2014 clarified the agency's policy related to communications between members of the Federal Advisory Committees and Congress. The memorandum stated that in the event that members of a federal advisory committee are contacted directly by members of Congress or their staff regarding the work of the advisory committee, the Office of Congressional and Intergovernmental Relations would determine the Agency's response to the inquiry.

Stewart Q2: On December 16, 2013 – At the end of the public comment period of the meeting, a letter was transmitted from EPA Associate Administrator to Chairmen Smith and me regarding "charge questions" for the water connectivity report we sent to the Board. The letter from the SAB stated that "we believe many of the questions you raise are addressed in the existing charge questions." Is it your view that the SAB is properly responding to questions from the Committee on Science, Space and Technology?

> **Answer:** In the letter dated December 16, 2013, from EPA's Office of Congressional and Intergovernmental Relations to Chairman Stewart, the Agency provided its assessment that many of the questions identified by the Chairman were addressed in the existing charge questions provided by the EPA to the SAB panel. Several of the questions were outside the scope of the SAB panel's scientific purview. The SAB panel is currently preparing a draft consensus report in response to the EPA charge questions which will be reviewed by the Chartered SAB by summer 2014.

Stewart Q3: On a related issue, does the SAB have to ask your permission to testify in front of a Congressional Committee?

> **Answer:** Discussions have been ongoing regarding the proper lines of communication between members of Congress and appointed members of EPA's federal advisory committees, including the Science Advisory Board. A recent memorandum from the Chief of Staff, dated April 4, 2014, clarified the agency's policy. It stated that in the event that members of a federal advisory committee are contacted directly by members of Congress or their staff regarding the work of the advisory committee, EPA's Office of Congressional and Intergovernmental Relations will determine the agency's response to the inquiry.

Stewart Q4: The committees of jurisdiction have requested that, consistent with the historical practice, the SAB provide testimony on EPA's budget request as well as the Board's own budget. The SAB's request includes several millions of dollars and a $1.1 million increase. Yet the SAB denied this request stating that they do not have permission from the EPA. Why should we provide appropriations for this body if it is not following its statutory obligations and fails to respond to communications from Congress related to scientific inquiries and matters related to its budget?

> **Answer:** Congress established the SAB in 1978 and gave it a broad mandate to advise the Administrator on a wide range of highly visible and important scientific matters to ensure that the Agency's technical products are of the highest quality.
>
> The Agency has requested a $1.1 million increase for the SAB in the FY 2015 President's Budget. Specifically, $825,000 of the increase will focus on assessing Integrated Risk Information System chemicals. The remainder of the increase will focus on hydraulic fracturing, an economy wide modeling review and perhaps several additional reviews as identified by the Chartered SAB.
>
> In the letter dated December 16, 2013, from EPA's Office of Congressional and Intergovernmental Relations to you, the Agency provided its assessment that many of the questions identified by the Chairman were addressed in the existing charge questions provided by the EPA to the SAB panel. Several of the questions were outside the scope of the SAB panel's scientific purview and instead focused on policy matters on which the panel lacks expertise. The SAB panel is currently preparing a draft consensus report in response to the EPA charge questions which will be reviewed by the Chartered SAB by summer 2014.

Stewart Q5: You just released your regulation defining federal jurisdiction under the Clean Water Act, despite the fact that the Science Advisory Board has not completed their review of the underlying scientific report. Will you ask the panel to review the proposed rule? And will you allow the Board to follow the law and respond to specific questions submitted by Congress on the proposed rule?

> **Answer:** The Department of the Army and EPA released their proposed rule to clarify the regulatory definition of "waters of the United States" in late March 2014 and it was

published in the Federal Register for public notice and comment on April 21, 2014. The agencies have committed to complete the rulemaking only after the SAB review of the Science Report is completed and we have addressed their recommendations. The SAB panel reviewing the Science Report has indicated their interest in evaluating the scientific basis for the proposed rule and we look forward to their input. The SAB is charged by statute to "provide scientific advice" to the Administrator regarding actions by EPA. The ad hoc panel convened to review the Science Report is composed of technical experts with the experience, education, and background needed to provide such scientific advice. The panel's technical experts are not required or prepared to respond to the policy issues which are largely the focus of the Committee's questions. We look forward to continue to work with the committee and the SAB as the Panel assesses the scientific and technical issues before them.

NSPS (New Source Pollution Standards)

Stewart Q6: You are currently reviewing New Source Pollution Standards. Have you consulted with Fish and Wildlife on any non-air impacts resulting from the proposed rule?

Answer: This question was not answered by the Environmental Protection Agency and returned to the Subcommittee in time for inclusion into the public record.

WITNESSES

	Page
Connor, Michael	1
Haze, Pamela	1
Jewell, Hon. Salley	1
McCarthy, Gina	113
Suh, Rhea	1

INDEX

Department of the Interior 2015 Budget Request

March 25, 2014, Rayburn 2359

	Page
Asian Carp	51
Biography—Michael L. Connor	31
Biography—Pamela K. Haze	33
Biography—Rhea Suh	32
Biography—Sally Jewell	30
California Water	57
Chickasaw National Recreation Area	47
Climate Change	44, 48
Endangered Species Act	55
Grazing	56
Great Lakes Restoration Initiative	54
Habitat Conservation	54
Hurricane Sandy Supplemental	34
Hydraulic Fracturing	40
Indian Education	38, 39, 45
Invasive Species	44
Lake Cumberland	34
Land and Water Conservation Fund (LWCF)	41
Land Buy Back Program	46
National Heritage Areas	35
National Parks Funding	48
National Wildlife Refuge Funding	48
Oil and Gas Development	40
Opening Remarks of Chairman Calvert	1
Opening Remarks of Chairman Rogers	4
Opening Remarks of Mr. Moran	3
Opening Remarks of Mrs. Lowey	6
Opening Remarks of Secretary Jewell	7
Payments in Lieu of Taxes (PILT)	41, 55
Questions for the Record from Chairman Calvert	64
Questions for the Record from Mr. Joyce	90
Questions for the Record from Mr. Serrano	93
Questions for the Record from Mr. Valadao	97
Questions for the Record from Ms. McCollum	104
Revenues	43, 45
Sage Grouse	37
Secure Rural Schools	41, 55
Species Management	49
Statement of Secretary Jewell	11
State Reimbursement for Funds During Shutdown	55

Page
Violence Against Women Act 46
Wild Horse and Burro 56
Wildfire Funding 41
Wildland Fire Proposal 36
Youth 36

U.S. Environmental Protection Agency 2015 Budget Request

March 27, 2014, Rayburn 2359

Atrazine 144
Biography—Gina McCarthy 128
Bristol Bay Pebble Mine Watershed Study 172
Budget and Staff Cuts 152
Carbon Neutrality of Biomass 154
Catalytic Converters and Converter Standards 170
Clean Water Act 129, 173, 175
Clean Water Act: Maps of New Streams 132
Clean Water Act: Proposed Rule 150
Clean Water Act: Scientific Assessment 131
Clean Water Act: Violation of Rule 138
Commercial Vessel Bilge and Washwater Discharges 158
Costs of Mapping Out New Streams 135
Deregulation of Herbicide-Tolerant Crops 167
Diesel Emissions Reduction Act 170
Ephemeral 140
Fluorocarbons in Appliances 153
Great Lakes Restoration Initiative 164
Hydraulic Fracturing 165, 166
Integrated Planning Initiative 177
Long Island Sound 139
Monarch Butterflies 159
Montreal Protocol 138
Municipal Solid Waste 168
National Pollutant Discharge Elimination System 176
Navigable Streams: Permitting Process 130
Navigable Waters 141
Opening Remarks of Administrator McCarthy 120
Opening Remarks of Chairman Calvert 113
Opening Remarks of Chairman Rogers 117
Opening Remarks of Mr. Moran 115
Opening Remarks of Mrs. Lowey 119
Presidential Authority 159
Questions for the Record from Chairman Calvert 179
Questions for the Record from Mr. Joyce 232
Questions for the Record from Mr. Simpson 225
Questions for the Record from Mr. Stewart 241
Questions for the Record from Mr. Valadao 234
Renewable Fuel Standards 165, 168
Science Advisory Board—Charge Questions 160
Science Advisory Board Review 151
Solid Waste Conversion Effort 162
Statement of Administrator McCarthy 123
Timely Response to Congressional Inquiries 178
Toxic Waste Dumping 142

Page
Urban Waters Federal Partnership 162
Waters of the United States..... 129, 171, 173
Western Washington Storm Water Manual 155

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