

ONE HUNDRED FIFTEENTH CONGRESS
Congress of the United States
House of Representatives
COMMITTEE ON ENERGY AND COMMERCE
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WASHINGTON, DC 20515-6115

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MEMORANDUM

April 24, 2018

To: Subcommittee on Environment Democratic Members and Staff

Fr: Committee on Energy and Commerce Democratic Staff

Re: Oversight Hearing on “The Fiscal Year 2019 Environmental Protection Agency Budget”

On **Thursday, April 26, 2018, at 10:00 a.m. in room 2123 of the Rayburn House Office Building**, the Subcommittee on Environment will hold a hearing entitled “The Fiscal Year 2019 Environmental Protection Agency Budget.”

I. ENVIRONMENTAL PROTECTION AGENCY FISCAL YEAR 2019 BUDGET

The President’s Fiscal Year (FY) 2019 budget requests \$6.2 billion for the Environmental Protection Agency (EPA), which represents a \$1.9 billion decrease from the level set in the Consolidated Appropriations Act, 2018.¹ Please see the appended table for historical EPA budget data.

A. State and Tribal Assistance Grants and Categorical Grants

Funding for states and tribes through the State and Tribal Assistance Grants (STAG) account and Categorical Grants amounts to \$2.8 billion in EPA’s proposed FY 2019 budget, or roughly 45.5 percent of the total agency request.²

Many categorical grants would be cut severely or eliminated under the President’s FY 2019 budget request. The STAG account includes the Clean Water and Drinking Water State

¹ Environmental Protection Agency, *FY 2019 Budget in Brief* (Feb. 2018) (www.epa.gov/sites/production/files/2018-02/documents/fy-2019-epa-bib.pdf); H.R. 1625, Consolidated Appropriations Act, 2018.

² *Id.*

Revolving Funds, Diesel Emissions Reduction grants, and infrastructure grants for Alaska Native villages and for communities along the border with Mexico. For example, the administration requested a combined \$161 million for the state and local air quality and tribal air quality management grants, a \$79 million decrease from the 2018 Consolidated Appropriations Act; \$153.7 million for the water pollution control grant, a \$94.9 million decrease; and \$31.8 million for Brownfields grants, a \$16 million decrease.

The President's FY 2019 Budget proposes eliminating six categorical grants:

- The BEACH Act grants program, \$9.5 million;
- The lead program, \$14 million;
- The nonpoint source grants program, \$170.9 million;
- The pollution prevention program, \$4.7 million;
- The radon program, \$8.1 million; and
- The underground storage tanks program, \$1.5 million.³

B. Funding for Drinking Water Infrastructure

For FY 2019, EPA is requesting approximately \$863 million for the Drinking Water State Revolving Funds (SRFs), which is equivalent to the FY 2018 enacted level and an \$81.2 million decrease from the FY 2017 enacted level.⁴⁵

The Drinking Water SRFs provide a critically important funding source for our nation's water systems, which serve almost 300 million people. Because of aging infrastructure, the most recent EPA Needs Survey estimates a total capital improvement need of \$472.6 billion over the 20 year period from 2015 to 2034.⁶ Needs surveys are conducted every four years and began in 1997. The needs estimate has steadily increased with successive assessments.

The steady increase in the estimates of need indicates that drinking water systems are falling further behind with respect to deferred maintenance. Even when past estimates are corrected for inflation, the estimates of need have increased by \$219 billion from the time of the first assessment in 1997, until the last published assessment in 2018.

C. Superfund

³ Environmental Protection Agency, *FY 2019 Budget in Brief* (Feb. 2018) (www.epa.gov/sites/production/files/2018-02/documents/fy-2019-epa-bib.pdf).

⁴ Environmental Protection Agency, *FY 2019 Budget in Brief* (Feb. 2018) (www.epa.gov/sites/production/files/2018-02/documents/fy-2019-epa-bib.pdf).

⁵ H.R. 1625, Consolidated Appropriations Act, 2018

⁶ Environmental Protection Agency, *Drinking Water Infrastructure Needs Survey and Assessment – Sixth Report to Congress* (Mar. 2018) (www.epa.gov/sites/production/files/2018-03/documents/sixth_drinking_water_infrastructure_needs_survey_and_assessment.pdf).

In 1980, Congress enacted the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA), establishing the Superfund program to address the nation's most serious hazardous waste sites. The law tasked EPA with primary responsibility for overseeing cleanup of the sites and administration of the program. In the early years of the program, a tax on polluters paid for Superfund, but that tax expired in 1995, and funds were depleted in FY 2003.⁷

There are 1,341 sites on the National Priorities List (NPL) for cleanup and an additional 55 sites proposed for addition to the list. Of those, construction of cleanup remedies has been completed at 1,196 sites.⁸ The President's FY 2019 budget request includes \$718 million for Superfund Cleanup,⁹ a cut of nearly \$4 million below the FY 2018 enacted level of \$722 million.¹⁰

D. Toxic Substance

In 2016, Congress enacted the Frank R. Lautenberg Chemical Safety for the 21st Century Act, which broadly amended EPA's information gathering, chemical evaluation, and regulatory authorities under the Toxic Substances Control Act (TSCA). The act expanded EPA authority to collect fees from chemical manufacturers and processors to partially defray the costs of conducting risk evaluations. Fee collections are limited to 25 percent of EPA's annual costs of administering TSCA activities, but are not to exceed \$25 million per year.¹¹

The President's FY 2019 budget request includes \$58.6 million for the TSCA Chemical Risk Review and Reduction Program, a cut of nearly \$34 million from the FY 2018 enacted level of \$92.5 million. EPA plans to begin collecting fees from chemical manufacturers and processors to support TSCA activities in FY 2019.¹² On February 26, 2018, EPA issued a

⁷ Congressional Research Service, *Comprehensive Environmental Response, Compensation, and Liability Act: A summary of Superfund Cleanup Authorities and Related provisions of the Act*, (Jun. 14, 2012) (R41039).

⁸ Environmental Protection Agency, *National Priorities List* (April 23, 2018) (www.epa.gov/superfund/sites/npl/).

⁹ Environmental Protection Agency, *FY 2019 Budget in Brief* (Feb. 2018) (<https://www.epa.gov/sites/production/files/2018-02/documents/fy-2019-epa-bib.pdf>).

¹⁰ Consolidated Appropriations Act, 2018, Pub. L. No. 115-141.

¹¹ Congressional Research Service, *Title I of the Toxic Substances Control Act (TSCA): A Summary of the Statute* (Apr. 4, 2018) (R45149).

¹² Environmental Protection Agency, *FY 2019 Budget in Brief* (Feb. 2018) (www.epa.gov/sites/production/files/2018-02/documents/fy-2019-epa-bib.pdf).

proposed rule establishing the TSCA fee structure. Under the proposed rule, affected businesses would begin incurring fees on October 1, 2018.¹³

E. Clean Air

The President's FY 2019 budget request includes \$84.9 million for Clean Air science and technology programs, a \$31.6 million decrease from FY 2018 enacted levels. The budget also proposes \$142.9 million for Clean Air environmental programs and management, which represents a \$130.2 million decrease from FY 2018 enacted levels.¹⁴

II. WITNESS

The following witness has been invited to testify:

The Honorable E. Scott Pruitt
Administrator
U.S. Environmental Protection Agency

¹³ Environmental Protection Agency, *User Fees for the Administration of the Toxic Substances Control Act*, 83 Fed. Reg. 8212 (Feb. 26, 2018) (proposed rule).

¹⁴ See note 1.