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Congresswoman DeGette, Congressman Guthrie, Congressman Pallone, Congressman Walden, thank you for the chance to appear before you today and to outline what I consider the challenges and opportunities facing the U.S. Environmental Protection Agency. I expect I share with my colleagues here at the table a deep and abiding respect for what EPA has accomplished in its nearly 50 years, a milestone anniversary we will celebrate next year. The Agency has made great strides in protecting Americans' health and the natural resources on which we depend, our economy and well-being included.

Of course, many institutions, other levels of government, the private sector, environmental groups, scientists, and many others contributed substantially to this progress. And it came not without more litigation and setbacks than we might have liked but progress nonetheless.

Many Americans alive today were not yet born when EPA was founded by President Nixon by Executive Order in December 1970, or they were too young to comprehend what conditions were like. Rivers catching fire. Polluted air in some cities like Los Angeles so thick you could not only see it, but smell it, even taste it. Troubling pesticides and other chemicals in commerce. The worst of those days are over even while there remains more to do.

Several weeks ago, I took part in a conference organized by American University on “EPA and the Future of Environmental Protection.” We were joined by more than 300 individuals, former EPA officials and career staff, representatives from state and local government, companies, non-governmental groups, universities, media, and others to discuss how to reinvigorate the environmental enterprise so as to confront the range of challenges we face today and anticipate, at home and indeed around the world.

As a contribution to this forum, the EPA Alumni Association surveyed about 1500 members from around the country and prepared a report on the findings.

I want to draw on the themes and discussions from the conference in my remarks this morning. Herewith the major insights and observations I took away.

First, our country continues to face serious challenges in protecting public health and natural resources: climate change and building community resiliency to address the impacts of extreme weather events, coastal erosion and sea level rise, and the like; water security, scarcity, and affordability; non-point source runoff linked to toxic algae blooms; troublesome chemicals and materials like microbeads in water and air and even food; habitat loss and species extinction.

These challenges require an EPA that is strong, credible, and sufficiently resourced to conduct and sponsor timely research and risk assessments. Few states have their own capability to conduct needed research and analyses to set standards for air and water quality and pollutants generally. EPA does this and provides a regulatory

framework as a backstop to ensure compliance, especially by low performing entities, and to take enforcement actions if and when necessary.

I hasten to add that past is not prologue. Since EPA was founded in 1970, the nature of environmental problems has changed from egregious pollution sources to smaller scale, decentralized sources along with problems that cut across political boundaries including widespread global problems. Environmental justice for communities of color and the less affluent has become a priority. While protecting public health remains paramount, with these changes have come an uptick in the range of constructive actions by a variety of players -- states, communities, nongovernmental groups, universities, and private companies increasingly concerned about their reputation, about consumer choices, about attracting and retaining talented employees, not to mention concern for their bottom line.

This is a new context, one that requires EPA to consider new approaches and innovative strategies. These include using market-based signals, incentives, and voluntary programs that can prompt environmental improvements. When I was at EPA, we started Green Lights to encourage more efficient lighting with an eye on reducing air emissions from power generation; this evolved into Energy Star promoting efficiency standards for a range of consumer products and for buildings. These programs are major contributors to efficiency. A developer in Los Angeles told me that he couldn't get financing for his project without LEED certification, another voluntary program that has yielded significant results.

We need to foster and improve partnerships and collaborative endeavors, encouraging regional cooperation and place-based initiatives, jointly with other federal agencies. Chesapeake Bay, the Great Lakes, Puget Sound, the Gulf of Mexico – all have benefited from geographically targeted interventions, drawing on the model set by the National Estuary Program. I hasten to add much more is needed, especially with respect to runoff of fertilizers and pesticides from working lands that have triggered algae blooms.

These targeted approaches are especially needed in rural America where EPA is mistrusted and in state relations where frictions are evident, litigation by states is widespread, and cross-state environmental problems, like air pollution or water quality, need to be dealt with. I appreciate and respect that states may see the challenges and the means to address them differently, which underscores for me the need to foster ongoing exchanges and consultations.

To achieve what we need in new strategies and approaches, EPA needs to re-establish the Agency's scientific credibility by appointing well qualified scientists from key disciplines to advisory committees and to consider the full range of peer reviewed research and data bases that are relevant to questions at hand. Also important are cost-benefit analyses that fairly and credibly tally the best available estimates as a tool to aid decision making. To take one example, such analyses underscore that the benefits of clean air far outweigh the costs.

And in the era of Big Data, EPA needs to upgrade, at not insignificant cost I might add, the technology hardware and software along with skilled staff to compile data, facilitate online reporting and compliance monitoring, to mine the information to help diagnose problems, assess risks, identify priorities, target resources, and prepare reports, maps and other materials that can help address environmental problems. Key data and related information need to be made available to all sectors in the environmental enterprise--industry, NGOs, states, tribes, international organizations--because it is all of their actions, combined, which are needed to make progress.

I recall a conversation when I was at EPA with the CEO of a major chemical company, who told me when he saw data from the Toxic Release Inventory he learned how much high value product was going up the smokestack and he vowed to reduce the waste.

This speaks to EPA's internal technology. Perhaps even more of a challenge will be anticipating and understanding the fast-developing fields of artificial intelligence, robotics, drones, biological advances, and other fields that could well upend how we assess and respond to environmental concerns.

EPA's story has not been well told. Improving communications is essential, both with the mainstream press and via social media. The story about progress over 50 years in improving public health and cleaning the air, lakes and rivers, and other resources needs to be told as many Americans do not know what conditions were like before EPA,

nor what has been required to make the progress we have. EPA needs a straightforward message, repeated widely and often by a variety of trusted messengers and new voices to reach broader audiences. Among the most important are younger Americans who care deeply about the environment and will experience changes first hand.

The international agenda remains critical. This includes making relevant U.S. experience available to receptive countries to address a variety of problems, from oil spills to air pollution. Given the global scope of climate change, trade, marine pollution, and other timely matters, U.S. engagement and leadership around the world is indispensable.

Internal operations at EPA also need attention, from attracting and retaining skilled career staff, including mentoring young staff, to improving the efficiency, transparency, and timeliness of decision making, to overcoming media and office silos to foster cross media strategies to address pollution problems. We need creative approaches, the ability to work cooperatively with other actors, to negotiate all the while keeping the end results in mind.

I would argue finally that a number of important steps are called for: re-issuing the Ruckelshaus “Fishbowl” memo on transparency, which I and other Administrators endorsed; reviewing the protocols and directives for incorporating peer reviewed

science and cost-benefit analyses, and revising Executive Orders that constrain EPA's mission.

The statutory framework that has governed environmental policy needs reform and updating in recognition of both the progress we've made, what's worked, what hasn't, with an eye on the challenges we face and the approaches we need to devise and adopt. Save for the toxics substances act, many key statutes – clean air, clean water, Superfund, RCRA, and so on – are long overdue for reform. I recall when I first went to EPA with President Bush's promise to propose a new clean air act, which we did, there were complaints that the air law hadn't been updated in 13 years! And here we are 29 years after the '90 law was enacted, with little prospect for near term reform.

The time may not be right now given how polarized our politics are. I take a cue from the economist Milton Friedman, who observed:

> "Only a crisis – actual or perceived – produces real change. When that crisis occurs, the actions that are taken depend on the ideas that are lying around. That, I believe, is our basic function: to develop alternatives to existing policies, to keep them alive and available until the politically impossible becomes politically inevitable…"

As I think about the future and try to envision the challenges it will bring, I conclude that EPA is the best federal agency to orchestrate both the mitigation and the adaptation to the future scientists foresee. Only two institutions at the federal government have a history of addressing climate change, EPA and the courts. Predictably, in the circles

where the fear of economic instability and uncertainty outweighs concern about the disruptions to society expected from climate change, there are proposals to remove power from EPA and the courts from a role in averting climate change. Instead the more progressive of those who consider they are seriously anticipating the coming warming substitute a modest carbon tax. In return they propose removing EPA's authority to regulate greenhouse gasses, and immunizing major emitters of carbon dioxide from any legal liability. I strongly reject such proposals and I encourage Congress to also. I support an impactful carbon tax, but those favoring immunity for energy companies from any liability have not embraced one.

And by recommending the removal of EPA and all forms of regulation - automobile efficiency standards, rules requiring energy efficiency in appliances, best practices in various industrial sectors, the advocates of a 40 dollar carbon tax as a stand alone response to climate change would surrender by having us lay down vital armaments that have played the key role in the 50 year restoration of America's environment. Don't go there. Maintain a vigorous and effective EPA and plan for a climate strategy that exploits its unique regulatory powers.

In closing, I would underscore the importance of addressing climate change and the extreme and variable weather we are going to experience more of. Building community resiliency while we also reduce greenhouse gas emissions and promote clean energy sources is of paramount importance. We are seeing effects now in

flooding, droughts, excessive heat with implications for public health, in agricultural production, expanded ranges for pests and pathogens.

There are any number of approaches and proposals on the table, from pricing carbon to investing in clean energy to move aggressively on efficiency to planting millions of trees and protecting habitat from encroachment. I'm intrigued by the new generation of small nuclear reactors that could fuel installations, campuses, industrial parks, even neighborhoods. And by the advent of micro-grids and stand-alone power sources, fuel cells, for example, that may provide greater resiliency and security in the face of extreme weather and cyber-security concerns. And we now hear of start-ups that propose to suck carbon dioxide out of the atmosphere and redirect it to productive uses.

If there was a price put on carbon emissions, there are any number of proposals for spending the revenues, from reducing the national debt to rebates to households to earmarking proceeds to vulnerable sectors.

I know in some circles it's fashionable to attack EPA for job-killing regulations as if EPA staff have been determined to undermine the economy. This is nonsense. I learned first hand at EPA that career staff are every bit attuned to economic concerns as they are to environmental results consistent, of course, with statutory requirements. What's more, new industries, new companies, new opportunities, new jobs come with the laws and programs EPA and other agencies administer. That is certainly evident in the clean energy sector. And for those sectors that are hurting from these changes,

there are interventions we can encourage – job training and educational benefits, community investments, and more.

What we need, in my opinion, is a serious dialogue and a coming to terms on the part of Republicans and Democrats in Congress with input from the nation's governors and local officials, industry leaders, and others. This is not the first time our political leaders have had to reconcile competing or conflicting points of view. I'm convinced not only that we can do it, but we must. Our children, their children and generations to come stand to inherit this good earth and the productive resources that have sustained us. Only the projections of what they will inherit, absent serious efforts on our part today, now, are less than reassuring.

Thank you.