

**TESTIMONY OF
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**BEFORE THE
SUBCOMMITTEE ON WATER RESOURCES AND ENVIRONMENT
COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE
UNITED STATES HOUSE OF REPRESENTATIVES**

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Good morning, Chairman and members of the Subcommittee. I am Nancy Stoner, Acting Assistant Administrator for the Office of Water at the United States Environmental Protection Agency (EPA). Thank you for the opportunity to speak about the President's Fiscal Year 2012 budget request for EPA's National Water Program. Protecting public health and the environment are central to the mission of the EPA Water Program. Clean and adequate water is also vital to the U.S. economy. A wide range of businesses depend on clean and adequate water supply including manufacturing, energy generation, tourism, farming, development, fishing and shell-fishing, food processing and beverage production. The Clean Water Act is designed to protect these many uses of water by American businesses, which employ millions of Americans and impact virtually all citizens and communities.

Consider these facts about the value of clean water to the U.S. economy: About 40 million anglers spend \$45 billion annually to fish all kinds of waters.¹ Manufacturing companies use nine trillion gallons of fresh water every year.² The beverage industry uses more than 12 billion gallons of water annually to produce products valued at \$58 billion.³ Farms depend on clean water for irrigation – 31 percent of all surface freshwater withdrawals in the U.S. are for

¹ American Sportfishing Association: http://www.asafishing.org/newsroom/newspr_092607.html

² Liquid Assets 2000: America's Water Resources at a Turning Point:
<http://water.epa.gov/lawsregs/lawsguidance/cwa/economics/liquidassets/>

³ Ibid

irrigation.⁴ And in an example nearby, the Chesapeake Bay is valued at \$1 trillion for its fishing, tourism, property values, and other water dependent business.⁵

The EPA request for the National Water Program is for \$3.98 billion, a 25 percent reduction from FY 2010 enacted levels, and reflects tough choices needed for our nation's fiscal health. The requested level still allows EPA to maintain its fundamental mission of protecting human health and the environment, while ensuring effective and efficient use of tax payer dollars. The funding will allow the Agency to drive technology innovation for a stronger economy, spur job creation, and protect the environment cost-effectively.

While much progress has been made, America's waters remain imperiled. More than 59,000 waterbodies do not meet water quality standards. The primary sources of impairment are pathogens, nutrients, sediment, PCBs and mercury. Despite cleanup efforts, new waterbodies are identified as impaired each reporting cycle. To continue to make progress towards clean and safe water throughout the country, the Agency will build and maintain effective partnerships with the states, tribes and communities, particularly those disadvantaged communities facing disproportionate impacts or that have been historically underserved. Also, through this budget, EPA's National Water Program remains committed to helping businesses, Federal facilities, local governments and tribes meet their environmental requirements by providing tools, training, and technical assistance.

Water and Wastewater Infrastructure Investments

The Clean Water State Revolving Fund (CWSRF) and Drinking Water State Revolving Fund (DWSRF) provide capitalization grants to states, which, when combined with state

⁴ Estimated use of water in the United States in 2005: U.S. Geological Survey Circular 1344, 52 p. <http://pubs.usgs.gov/circ/1344/pdf/c1344.pdf>.

⁵ Chesapeake Bay Blue Ribbon Finance Panel Report page 9: http://www.chesapeakebay.net/content/publications/cbp_12881.pdf

resources, use the funds to make affordable loans to local communities to finance public wastewater systems and other water quality projects that protect public health and vital water resources. The FY 2012 President's budget request includes \$1.55 billion for the CWSRF and \$990 million for the DWSRF, enabling states and tribes to begin over 600 clean water and over 400 drinking water projects nationally. The request includes a tribal set-aside of 2 percent and a territories set-aside of 1.5 percent.

As part of the Administration's long-term strategy, EPA is implementing a Sustainable Water Infrastructure Policy that focuses on working with States and Communities to enhance technical, managerial, and financial capacity. Important to the technical capacity will be enhancing alternatives analysis to expand "green infrastructure" options and their multiple benefits. Future year budgets for the SRFs gradually adjust, taking into account repayments, through 2016 with the goal of providing, on average, about 5 percent of water infrastructure spending annually. When coupled with increasing repayments from loans made in past years by States, the annual funding will allow the SRFs to finance a significant percentage in clean water and drinking water infrastructure. Federal dollars provided through the SRFs will act as a catalyst for efficient system-wide planning and ongoing management of sustainable water infrastructure.

Protecting the Great Lakes

The FY 2012 President's budget request provides \$350 million for the Great Lakes Restoration Initiative to implement both federal projects and projects with states, tribes, municipalities, universities, and other organizations. The initiative will target the most significant environmental problems in the Great Lakes ecosystem, by supporting the Asian Carp prevention framework, restoring beneficial uses in Areas of Concern, and funding other

priority Great Lakes restoration projects. Working with USDA, Army Corps of Engineers, National Park Service, USGS, and other federal agencies, and in close collaboration with state programs, EPA will address high priority watersheds to strategically target where on-the-ground actions can be most effective; provide supplemental funding to enhance existing conservation programs; and implement actions to control nonpoint source runoff, erosion and sedimentation.

Restoring Chesapeake Bay

This budget request includes \$67.4 million for the Chesapeake Bay Program. EPA continues to collaborate with other federal agencies to implement the President's Executive Order on the Chesapeake Bay. This increase of \$17 million over 2010 levels will primarily be used to provide States grants to implement the Bay's Total Maximum Daily Load (TMDL), which is a pollution diet for nutrient and sediment pollution in the Bay. Overload of nutrients rob the Bay of oxygen needed to support blue crabs, rockfish, and other fish and wildlife. Developing the TMDL was a highly collaborative and transparent process, based on implementation actions proposed by the Bay jurisdictions. EPA will use its technical and scientific capabilities to support the states, local governments, sewage treatment plants, farmers, and others to put practices in place to reduce water pollution.

Mississippi River Basin

The FY 2012 budget request includes \$6 million for the Mississippi River Basin program to address nitrogen and phosphorus pollution that contribute to water quality impairments in the basin and, ultimately, the dead zone in the Gulf of Mexico. EPA will build on our strong coordination with USDA, investing in priority watersheds in the Mississippi Basin to implement nutrient reduction strategies and reduce nonpoint source pollution.

Strengthening State Programs

The FY 2012 EPA request includes \$250.3 million for Water Pollution Control grants. The \$21 million increase will strengthen the base state, interstate and tribal programs; address emerging water quality issues; and support expanded water monitoring and strengthened permitting, compliance, and enforcement efforts. States and authorized tribes will continue to review and update their water quality standards as required by the Clean Water Act.

Strengthening Urban Waterways

The President's budget requests \$5.0 million to support the Urban Waters program, which is part of the Healthy Communities Initiative and part of the President's America's Great Outdoors (AGO) Initiative. EPA will assist communities in restoring urban waterways and revitalizing urban areas through partnership with governmental and non-governmental organizations.

Conclusion

In conclusion, I would like to thank you, Mister Chairman, and the Members of the Subcommittee for this opportunity to discuss the President's FY 2012 budget request for EPA's National Water Program. Despite the difficult economic climate, EPA's Office of Water remains committed to protecting and improving the nation's waters, while promoting innovative strategies that cost-effectively achieve public health priorities.

EPA looks forward to continuing our work with this Subcommittee to foster protection of America's waterways and the public's health and well-being.

I will be happy to respond to any questions you may have.