TESTIMONY OF

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Good afternoon Chairman Lucas, Ranking Member Peterson, and Members of the Committee. I am pleased to appear before you today to discuss EPA's mission to protect human health and the environment and our interaction with the agriculture community.

In my meetings with leaders in the agriculture community and in my meetings with Secretary Vilsack, I have indicated my profound respect for the invaluable contribution that farmers make to our economy by producing food, fiber, and fuel for our country and the world. I have also noted the critical work that farmers are doing to protect our soil, air, and water resources. At the same time, I am very much aware that farmers operate under unique and challenging circumstances – small margins, international competition, and the difficulties of operating a small business – that complicate the task of making a living on the land.

As a result of our meetings with the agriculture community – with me, our senior leadership team and our regional staff – we appreciate the extent of EPA’s interaction with agriculture and the concerns of farmers across the country.

When I became EPA Administrator, I made a commitment to using the best available, peer reviewed science, transparency, and the rule of law as hallmarks for EPA's work under my tenure. In no other area of EPA's work are those principles more important than in our work with agriculture.

On issue after issue, we have seen the value of early and substantial engagement with the agriculture community to ensure that we fully understand the impacts of our actions. We seek opportunities for communication, as we are doing currently on particulate matter (PM10) and as we have previously done with public engagement in development of the National Pollutant Discharge Elimination System (NPDES) Pesticide General Permit. Our commitment to science has enabled EPA to make strong decisions on issues ranging from the decision on the Renewable Fuel Standard (RFS 2) to the extensive work with the livestock and poultry industries on the National Air Emissions Monitoring Study (NAEMS). Finally, carefully following the laws that Congress has enacted has enabled EPA to ensure public confidence in the nation's food supply through implementation of the pesticide laws.

My testimony further illustrates how the Agency has followed these key principles with specific examples from our pesticides, water, and air programs.

PESTICIDE REGULATION

EPA's Office of Pesticide Programs is charged with regulating pesticides under the Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA) and the Federal Food, Drug, and

Cosmetic Act (FFDCA). EPA's regulatory programs for pesticides under both laws rest on the same two fundamental principles -- basing decisions on best available, peer reviewed science and making our decisions through a process that is transparent and open to everyone.

Under FIFRA, we must ensure that use of pesticides does not cause "unreasonable adverse effects on the environment." When used properly, pesticides provide significant benefits to society, such as controlling disease causing organisms, protecting the environment from invasive species, and fostering a safe and abundant food supply. FIFRA's safety standard requires EPA to weigh these types of benefits against any potential harm to human health and the environment that might result from using a pesticide.

FIFRA generally requires that before any pesticide may be sold or distributed in the United States, EPA must license its sale through a process called "registration." During registration, EPA examines every pesticide product that is being lawfully marketed in our country. In addition, FIFRA also requires EPA to reexamine previously approved pesticides against current scientific and safety standards through a program called "registration review." Any changes to the use of a pesticide identified through registration or registration review as necessary for safe use appear on product labels.

In addition, under FFDCA, EPA sets "tolerances" (maximum residue limits) for pesticides used on food or animal feed. EPA may establish a tolerance for a pesticide residue in food or feed only if EPA finds that there is a "reasonable certainty of no harm" from consumption of the pesticide treated food and from other nonoccupational sources of exposure.

EPA makes more than 10,000 different regulatory decisions about pesticides every year. In 2010, EPA registered more than 700 new pesticide products, approved products for 277 new uses, and registered pesticides containing 24 new active ingredients (more than half were low risk biopesticides or low risk conventional chemicals). In addition, we approved hundreds of registration amendments, opened dockets for scores of pesticides in registration review, and reviewed thousands of notifications of other minor changes.

Over the past 30 years, EPA has developed a highly regarded program for evaluating pesticide safety and making regulatory decisions. EPA's reputation rests on our world renowned expertise in pesticide risk assessment. Our approach to decision making is also widely considered to be a model for transparency and openness. Using this approach, the Agency makes decisions consistent with scientific information and protective of human health and the environment.

Safe pesticide use makes an enormous contribution to our society, particularly in the production of food and fiber. Innovation in pesticide use has greatly increased agricultural productivity and contributed to a predictable food supply and stable food prices. EPA estimates that pesticides used to control various pests such as insects, weeds, and fungus contribute billions of dollars per year to agricultural production. In addition, maintaining a robust pesticide regulatory system provides a high level of consumer confidence by effectively policing the safety of pesticide residues in food.

Pesticides provide direct and indirect benefits for the millions of people who use pesticides or purchase items on which pesticides have been used. Some of the most dramatic examples occur under Section 18 of FIFRA, where EPA may issue an "emergency exemption" to authorize the temporary use of an unregistered pesticide to address an unusual pest outbreak. For example, among other decisions last year, EPA approved emergency exemptions to control zebra and quagga mussels in Arizona, California, and Nevada; authorized 20 states to use two pesticides to control varroa mites in honey beehives, a pest hypothesized to contribute to colony collapse disorder; and allowed the emergency use of the fungicide, propiconazole, on Florida avocados to address an emerging disease that kills the tree and severely hurts the industry.

I want to discuss three topics concerning pesticide regulation in greater detail. These topics – the Pesticide Registration and Improvement Act, atrazine, and international cooperation – illustrate the breadth of EPA's pesticide activities and how the Agency takes a leadership role in working with stakeholders to find science based solutions to contentious issues.

Pesticide Registration Improvement Act

The Pesticide Registration Improvement Renewal Act (PRIA 2) provides an example for how user fees paid by the private sector can help support vital regulatory activities. EPA's pesticide regulatory programs are funded by a combination of appropriations and user fees. Under PRIA 2, the 2007 reauthorization of PRIA which is in effect from October 1, 2007 to September 30, 2012, entities seeking EPA approval to sell or distribute pesticide products must, in most cases, pay a fee before the Agency will process their applications. The amount of the fee

depends on the type of application and the type of entity. For example, EPA charges lower fees for "me too products" than for entirely new pesticides. Small businesses pay reduced fees, and PRIA 2 exempts government and government-supported organizations like the Interregional Research Project No. 4 (IR-4), from application fees.

PRIA 2 was developed by a group of representatives from the pesticide industry, their trade associations, and public interest groups, provides benefits for interested stakeholders. For the pesticide industry, PRIA 2 requires EPA to make decisions on applications within a mandated timeframes. Before PRIA, because of limited resources, the Agency could not process all of the applications it received in a timely fashion. Large backlogs developed, and applicants could not predict when the Agency would make a decision. Pesticide companies had to establish priorities for which of their applications EPA would review first. With the additional resources provided by PRIA, however, the Agency can now process new applications in a timelier manner. In fact, since the start of the PRIA user fee program, EPA has met the timeframes for more than 99% of PRIA applications. With this kind of consistency in EPA's review of registrations, pesticide companies can develop more accurate business plans for marketing their products.

Pesticide users also benefit from the more rapid approval of more new pesticide products. Since PRIA became law, EPA has seen an increase in the number of new pesticides being submitted, indicating that PRIA may have encouraged increased research and development. Under PRIA, the Agency has also seen an increase in the approval of pesticides for "minor uses" to meet the pest control needs of farmers who grow minor crops – primarily fruits, vegetables, and nut crops. Further, by law some of the PRIA 2 fees go to support improved safety standards

for agricultural workers and to provide pesticide safety education for farm workers and farm worker families. Finally, PRIA 2 sets aside a portion of the fees to increase funding for grants that improve understanding of Integrated Pest Management and develop new tools to reduce pesticide use.

Society and the environment also benefit from PRIA 2. A number of the new pesticides receiving approval under PRIA 2 are safer than the previously approved products which they can replace. In addition, PRIA 2 reauthorized maintenance fees to support EPA's registration review program. Under FIFRA, the Agency must reevaluate all previously registered pesticides at least every 15 years to make sure that products in the marketplace can still be used safely. The registration review program makes sure that, as the ability to assess risk evolves and as public policy and pesticide use practices change, all registered pesticides continue to meet the FIFRA statutory standard of no unreasonable adverse effects.

Atrazine

The current scientific review of the human health and environmental effects of atrazine, a widely used herbicide, shows EPA's commitment to basing our regulatory decisions on the best available scientific information. In 2003, EPA conducted a review of atrazine and determined that, based on the science available at that time, atrazine was not likely to adversely impact human health or cause unreasonable impacts on the environment when used consistent with new labeling restrictions. As a condition for continued registration, the Agency required the registrants of atrazine to confirm the effectiveness of risk mitigation measures for protecting

drinking water resources and aquatic life. Specifically, we required the registrants to conduct extensive monitoring of community drinking water systems and vulnerable waterways.

In the nearly eight years since that decision, nearly 150 new scientific studies have been conducted on the human health effects of atrazine. In addition, monitoring data from a variety of sources, including the registrants' studies discussed above, of atrazine in both drinking water sources and other bodies of water. EPA determined it is appropriate to look closely at this new research and to ensure that our regulatory decisions about atrazine reflect the best available science and continue to be protective.

To ensure our assessment continues to be thorough, scientifically based, and fully transparent, we are consulting the FIFRA Scientific Advisory Panel (SAP), a federal advisory committee charged with providing independent, expert peer review of scientific issues involving pesticides. We have held four public SAP meetings over the last year related to our review of atrazine:

- November 3, 2009 – EPA presented its plan for the atrazine re-evaluation to the SAP;
- February 2-4, 2010 – EPA presented and sought scientific peer review of its proposed plan for incorporating epidemiology studies into the atrazine risk assessment;
- April 26-29, 2010 – EPA presented and sought scientific peer review of its evaluation of atrazine's effects based on experimental laboratory studies, and the sampling design currently used to monitor drinking water in community water systems; and

- September 14-17, 2010 – EPA presented and sought peer review of its evaluation of atrazine's noncancer effects based on experimental laboratory studies and epidemiology studies. This review included new experimental laboratory data since the April 2010 SAP meeting.

Our examination of new health effects studies will still need to consider the upcoming results from the National Cancer Institute's epidemiological Agricultural Health Study (AHS) evaluating the potential association between atrazine and cancer risk. We expect to take these results, along with other epidemiological and laboratory animal studies, to the SAP later this year. At the conclusion of EPA's assessment of atrazine's human health effects, the Agency will ask the SAP to review atrazine's potential effects on amphibians and aquatic ecosystems.

EPA's International Cooperation in Pesticide Regulation

Our international activities show how EPA's leadership role seeks to efficiently use resources and contributes to a predictable and protective global regulatory framework that facilitates trade while improving environmental protection. The ability to work effectively in an increasingly complex environment is a key to maintaining U.S. competitiveness in agricultural production, biotechnology, and development of needed means of pest control, as well as in promoting and enhancing food safety and environmental protection. The field of pesticide regulation is a striking example. In recent years, we have all experienced the globalization of our

food supply due to the expansion of world agricultural trade. Trade in pesticides is also increasing at a rapid pace.

As a major exporter and importer, the U.S. seeks to promote economic growth through its work with other countries and international organizations to encourage greater harmonization of pesticide requirements. These efforts strengthen public health and environmental protection at home and abroad, promote the wider availability of pest control technologies that U.S. agricultural producers rely on to maintain high levels of productivity, and help ensure the availability of a safe, varied, abundant and affordable food supply for U.S. consumers, and its partners in trade in agricultural and food products.

For example, we will not realize expected benefits from registering new, often safer pesticides for use in the U.S. unless the necessary clearances are in place in countries that are important export markets for U.S. growers. Therefore, we work through the Codex Alimentarius (a joint food standards program of the UN Food and Agriculture Organization and the World Health Organization) to expedite the establishment and review of internationally recognized residue limits for pesticides in food. Many countries rely on the Codex maximum residue limits (MRLs) as their own national standards, and others (including the U.S.) strive to harmonize with Codex whenever possible.

Harmonized MRLs facilitate compliance, reduce the likelihood that food with illegal residues will be imported into the U.S., and promote trade in safe agricultural products. We also work with other U.S. agencies to educate trading partners about the requirements of the U.S.

food safety system and to work toward greater harmonization of pesticide regulation in ways that enhance the scientific basis of regulatory decision-making and improve efficiency, thereby saving government and private sector resources.

Other areas where international cooperation has been important to our pesticides program include:

- Working with partners in the Organization for Economic Cooperation and Development to harmonize test guidelines, data requirements and application formats to conserve scientific and regulatory resources;

- Harmonization of risk assessment and risk management approaches, e.g., development of an MRL calculator tool that makes it more likely that countries working from the same data will reach similar regulatory results; and

- Work sharing and joint reviews. When we work together on pesticide issues, we benefit from sharing scientific expertise and review burdens with our regulatory counterparts and decrease the likelihood that pesticide regulations will become trade irritants.

Collectively, these efforts are leading to ever more efficient use of scarce public and private sector resources to ensure that pesticides are being used safely, while at the same time providing businesses a more predictable and stable regulatory environment worldwide so they can expand economic opportunities.

WATER QUALITY

EPA recognizes that collaboration with states, farmers, rural communities and USDA can be particularly effective in achieving important improvements in water quality. Our work on the Chesapeake Bay and on the Mississippi and Atchafalaya river basin are two examples of how those collaborations can work.

Chesapeake Bay

One of EPA's major efforts on water quality protection in the past 25 years is the development of a comprehensive, integrated plan for restoring the Chesapeake Bay. We developed this plan in consultation with the agriculture community, close collaboration with the Chesapeake Bay jurisdictions (the six Bay states and the District of Columbia), and with assistance from federal agency partners. With the support of an Executive Order, EPA worked with other federal agencies, particularly USDA, to develop a federal strategy for protecting and restoring the Chesapeake Bay watershed. The strategy reinforced EPA's and USDA's recognition that maintaining the viability of agriculture is an essential component to sustaining ecosystems in the Bay. It also emphasized the agencies' commitment to strong partnerships and collaboration with states and local governments, urban, suburban and rural communities, and the private sector to achieve environmental objectives for the Bay. In this strategy, and in the actions EPA and USDA are pursuing under the strategy, the agencies acknowledge the enormous contribution that farmers are making to improve Bay water quality.

Developing the Chesapeake Bay Total Maximum Daily Load (TMDL) was truly a collaborative effort. EPA worked closely with the Bay jurisdictions during 2009 and 2010 to help them develop and improve Watershed Implementation Plans (WIPs) to inform and support the Chesapeake Bay TMDL. In those plans, the states identified how they can best achieve the nutrient and sediment reductions called for under the TMDL. In developing the Executive Order strategy and the WIPs, EPA and its partners held nearly 400 public meetings with the agricultural community and other interested stakeholders. Using input from those meetings, the state developed WIPs recognize that suburban and urban communities as well as the agriculture sector will all need to achieve pollution reductions to restore the Bay and rivers. As a result of the hard work and commitments of the individual jurisdictions, there are now feasible and credible WIPs established to implement the nitrogen, phosphorus, and sediment reductions necessary to attain state water quality standards and restore water quality in the Bay.

To help achieve pollutant load reductions, EPA combined resources with USDA to award more than $5 million in grants this past fall to assist farmers in adopting conservation practices in the region.

Mississippi and Atchafalaya River Basin

In the Mississippi and Atchafalaya River Basin, EPA and USDA are working together to demonstrate success in water quality improvement. We are jointly collaborating to provide monitoring support for USDA's Mississippi River Basin Initiative (MRBI) as well as broader efforts to use EPA section 319 funds (and other available funds) in coordination with USDA

programs to engage creatively in work with communities and watersheds to achieve improvements in water quality.

EPA, USDA and USGS are collectively working together to focus on Mississippi River water quality goals. For example, the agencies are working to identify where NRCS MRBI projects can be funded and implemented in a way that supports the implementation strategies set forth in existing section 319 watershed plans, TMDLs, and other state plans. The agencies are also targeting their monitoring investments to best assess water quality trends and demonstrate water quality improvements. In these targeted areas, EPA Regions are coordinating with the state NRCS offices, agencies, and USGS at the local level to ensure meaningful stakeholder involvement and commitment to full implementation.

AIR QUALITY

National air quality issues are integrally related to agricultural activities. Particular areas of focus include coarse particulate matter, boiler standards, animal feeding operations, and the allowable level of ethanol in gasoline. EPA's actions in these and other areas are described below.

Coarse Particulate Matter

The Agency recognizes that the review of the air pollution standards for coarse particles – called PM10 – has prompted a great deal of concern in the agriculture community in recent

months. EPA's national air quality standards, including our PM standards, are not focused on any particular industry or activity; rather, they set the level of a pollutant allowed in the outdoor air nationwide. EPA has not issued a proposal on PM10 and has not made any decisions about what to propose.

EPA has reached out to rural communities to hear their perspectives on PM10 standards. EPA has held five meetings with stakeholders in several regions of the country. Initial reports indicate that these have been very well attended and much appreciated – they have increased understanding about EPA's work and the farm community has provided useful insights that will help inform our deliberations. That information, along with EPA's scientific and technical assessments and the recommendations of our independent science advisors – the Clean Air Scientific Advisory Committee – will be considered as EPA begins the process of assessing what standards to propose to ensure that we provide the public health protection that the law requires.

Boiler MACT rules

On February 21, 2011, EPA issued final standards for boilers and certain incinerators that will achieve significant public health protections through reductions in toxic air emissions, including mercury and particulate pollution, while cutting the cost of implementation of these standards by about 50 percent from the proposed rules issued last year. EPA estimates that for every dollar spent to cut these pollutants, the public will see between $10 to $24 in health benefits, including avoiding between 2,600 and 6,600 premature deaths, preventing 4,100 heart attacks and averting 42,000 asthma attacks per year once they are fully implemented.

The Agency's handling of this rule is a compelling example of how public comment and new information are used and can be especially valuable in crafting a sound regulation. EPA received more than 4,800 comments from businesses and communities across the country in response to the proposed rules, including the agricultural community. As a result of this feedback, EPA revised the draft standards to allow additional flexibility and cost effective compliance. Among other things, we believe the final standards are sensitive to the needs of rural America, particularly given the role that biomass plays as fuel in rural areas. Furthermore, EPA is working with the Departments of Energy and Agriculture to provide facilities affected by the standards with technical assistance. In particular, together with USDA, we will be reaching out to facilities that have boilers that burn biomass to make sure that they understand the regulation, its cost- and energy-saving features, and the benefits that can accrue to boiler owners as a result.

Animal Feeding Operations Monitoring Study

In 2005, EPA and the animal feeding operations industry signed a voluntary compliance agreement that resulted in the first nationwide study of its kind for animal feeding operations. That study, the National Air Emissions Monitoring Study, was funded by industry and conducted by Purdue University with EPA oversight. The monitoring conducted under the study has been completed, and the data are available to the public via the web. EPA will use the data to develop improved methodologies for estimating emissions from animal feeding operations. Twenty four facilities in nine states made their operations available for monitoring and worked closely with

researchers, industry experts and EPA throughout the study period. EPA will also use information it has received in response to a "Call for Information" issued in January 2011 seeking data from other monitoring studies of animal feeding operation emissions. We will make the draft methodologies available for public review and comment on a rolling basis in the near future.

E15

Another important issue to the agricultural community has been action on the request by more than 50 ethanol producers and other supportive groups to allow E15 to be sold for use in gasoline powered vehicles and equipment. Under the Clean Air Act, a fuel that is not substantially similar to the fuel used to determine compliance with emissions standards must obtain a waiver before it can be sold. EPA may grant a waiver if there is sufficient information to show that the fuel will not cause or contribute to failures to meet applicable emission standards. In acting on the waiver request for E15, we provided an extended period for public comment and timely access to Department of Energy (DOE) test results on the impact of E15 on exhaust emissions of model year 2001 and newer cars and light trucks.

After considering all of the available information, we granted partial waivers that allow E15 to be sold for use in model year (MY) 2001 and newer cars and light trucks. In 2011, there are more than 150 million MY2001 and newer vehicles that could use E15. These vehicles represent more than 74 percent of gasoline consumption. By 2014, we project E15 could be used in more than 187.3 million vehicles, representing 85% of fuel consumption.

We are now in the process of completing a rule that will establish national labeling, transfer document and survey requirements for E15 as it enters the market. As part of the rulemaking process, we held a public hearing and provided a 60 day public comment period. We expect to issue a final rule in the next few months. Under the Clean Air Act, E15 must also be registered before it can be sold. We recently received emissions and health effects information to support a registration application. We expect to complete our review of that information in two to three months.

ADDITIONAL EPA INVOLVEMENT WITH THE AGRICULTURAL COMMUNITY

In addition to the examples highlighting EPA's pesticide, water, and air programs, there are many other EPA actions underway substantively addressing agricultural issues, including:

- Conducting outreach to livestock farmers in agricultural areas such as the Shenandoah Valley to improve their understanding of EPA requirements and programs;

- Planning to issue a final rule amending the Spill Prevention, Control, and Countermeasures (SPCC) rule to exclude milk and milk product containers from the SPCC regulatory program, which has been transmitted to the Office of Management and Budget for review;

- Listening to producer concerns and as a result, extending the compliance period to provide time for educational and outreach efforts to be carried out for farmers who are affected by SPCC; and

- Providing significant assistance in the development of watershed plans through the 319 program and in the renovation of rural water systems though the State Revolving Fund (SRF) program.

CONCLUSION

I am fully aware that there are complex and difficult issues that we need to work on with the agriculture community and this Committee. You have my commitment that we will continue to rely on science, transparency, and the rule of law as we work together. And you have my commitment to engage in discussion early and often to increase understanding, improve our knowledge and create a stronger working relationship in support of a strong farm and rural economy and a healthy environment – I believe that they can and should go hand in hand.

I appreciate the opportunity to be here today. I look forward to continuing our work with you and I am pleased to answer any questions you might have.