

**TESTIMONY OF
MICHAEL S. REGAN**

**ADMINISTRATOR
U.S. ENVIRONMENTAL PROTECTION AGENCY**

**BEFORE THE
U.S. HOUSE COMMITTEE ON ENERGY AND COMMERCE
SUBCOMMITTEE ON ENVIRONMENT, MANUFACTURING, AND CRITICAL
MATERIALS**

May 15, 2024

Thank you, Chair Carter, Chair Rodgers, Ranking Member Tonko, Ranking Member Pallone, and members of the Committee. I appreciate the opportunity to appear before you today to discuss the U.S. Environmental Protection Agency's (EPA) proposed Fiscal Year (FY) 2025 Budget request. In our FY 2025 Budget request, we provide the resources needed to advance a cleaner, healthier, and more equitable Nation where all people have equal access to safe and clean water, air, land, chemicals, and communities.

The FY 2025 President's Budget Request

The President's FY 2025 Budget for EPA requests nearly \$11 billion to advance the key priorities outlined in the *FY 2022-FY 2026 EPA Strategic Plan*, including urgently tackling the climate crisis, advancing environmental justice, protecting air quality, cleaning up pollution, upgrading the Nation's aging water infrastructure, and building the Agency's core capacity to carry out its vital mission. The President's FY 2025 Budget adheres to the discretionary spending levels set by the Fiscal Responsibility Act and continues to build on the historic progress and investments made by this Administration. EPA is committed to providing robust support to our Tribal, state, and local partners, with more than \$4.5 billion in grants that directly reach these communities. The Budget adds more than 2,000 Full Time Equivalents (FTE) across program and regional offices, bringing EPA back to more than 17,000 FTE, to ensure that the agency has the workforce to protect human health and the environment across the Nation.

Urgently Tackling the Climate Crisis

In FY 2025 EPA will continue to prioritize tackling climate change with the urgency that science demands by investing nearly \$3 billion in climate-related programs. EPA requests an additional \$19.3 million and 14.5 FTE for climate adaptation efforts to strengthen the adaptive capacity of Tribes, states, territories, local governments, communities, and businesses. In addition, the Budget requests an increase in state and local air quality management grants to help expand the efforts of air pollution control agencies to implement the Clean Air Act (CAA). We will leverage an additional \$65 million to implement the American Innovation in Manufacturing (AIM) Act to continue phasing out hydrofluorocarbons (HFCs).

EPA also requests an additional \$5 million to provide administrative support to implement the historic \$27 billion Greenhouse Gas Reduction Fund (GGRF), enacted through the IRA. EPA recently released funding opportunities for three grant competitions through the GGRF: the \$14

billion National Clean Investment Fund, the \$6 billion Clean Communities Investment Accelerator, and the \$7 billion Solar for All competition. With the requested enhanced administrative support, EPA will be able to more effectively and efficiently administer competitive grants to mobilize financing and leverage private capital for clean energy and climate projects that reduce greenhouse gas (GHG) emissions with an emphasis on projects that benefit low-income and disadvantaged communities.

Elevating Environmental Justice

The Budget bolsters the Agency's efforts to achieve environmental justice in communities across the Nation by investing nearly \$1.5 billion in environmental justice-related programs. This investment supports the implementation of the President's Justice40 commitment, which ensures at least 40 percent of the benefits of federal investments in climate and clean energy as well as infrastructure work reach disadvantaged communities, including rural and Tribal communities.

In FY 2025, EPA requests more than \$324 million and 265 FTE for the Environmental Justice Program, an increase of \$216 M and 41 FTE above the current levels, to expand support for community-based organizations, indigenous organizations, Tribes, states, local governments, and territorial governments to identify and develop solutions to environmental justice issues through multi-partner collaborations. Included in this increase is \$36.5 million to scale up capacity-building grants to more communities, governmental partners, and academic institutions; and nearly \$70 million and 39.3 FTE to continue building out the community-centered technical assistance hubs established in FY 2023, ensuring that the network provides robust coverage across the United States. In partnership with the U.S. Department of Energy, EPA has opened 17 Thriving Communities Technical Assistance Centers (TCTACs), three of which are dedicated to assist Tribes, with the goal of strengthening EPA's partnership with Tribal Nations to deliver much-needed infrastructure investments to Tribal communities.

EPA's goal is to ensure that environmental programs inside Indian Country are as robust and protective as those same programs outside of Indian Country. The Budget requests \$25 million to establish a new Direct Implementation Tribal Cooperative Agreements Program, with \$13 million of this funding dedicated to making Tribes more resilient to climate impacts. This unique funding vehicle will allow EPA to fund Tribes to implement federal environmental programs in Indian Country. Since its creation by Congress in 2001, DITCAs have been proven successful as a tried-and-true method of providing federal support directly to Tribes however at a limited scale due to a lack of dedicated funding. Once established, this program will be able to maximize the use of DITCAs and expand its access to reach more underserved communities in Indian Country. This program is expected to at least double the number of Tribes receiving EPA assistance for direct implementation activities while providing needed multi-media environmental protections.

Enforcing Environmental Laws

Enforcing and ensuring compliance of our Nation's environmental laws is foundational to achieving EPA's mission. EPA holds, and will continue to hold, bad actors accountable for their violations, with a particular focus on communities with multiple pollution sources. In FY 2025, the Budget invests \$260 million for civil enforcement efforts, such as increasing enforcement efforts in communities with high pollution exposure and preventing the illegal importation and use of hydrofluorocarbons in the United States. The Budget also requests \$172 million for compliance

monitoring efforts, including funds to conduct inspections in underserved and overburdened communities and rebuilding the inspector corps. Additionally, the Budget directs \$77 million for criminal enforcement efforts to pursue investigations of the most egregious environmental cases and to support a specialized Criminal Enforcement Initiative focused on addressing environmental justice issues in partnership with the Department of Justice (DOJ). In FY 2025, EPA will implement the National Enforcement and Compliance Initiatives to target these investments at the most serious environmental violations.

Ensuring Clean and Healthy Air for All Communities

Poor air quality still affects millions of people across the country, perpetuating harmful short- and long-term health and quality of life impacts. In FY 2025, EPA will improve air quality for communities by reducing emissions of ozone-forming pollutants, particulate matter, and air toxics. The President's Budget includes \$1.3 billion to improve air quality for communities across the country, to reduce exposure to radiation, and to leverage regulatory tools and public and private sector partnerships that promote environmental stewardship and encourage adoption of cost-effective technologies and practices. In FY 2025, EPA will make critical resource investments in air regulatory development and implementation work, including \$269 million to develop and implement programs such as the National Ambient Air Quality Standards (NAAQS) to reduce air pollution from vehicles, engines, and fuels. EPA's work to set these standards provides certainty to industry, builds on advances in technology, and reinforces market movement towards a cleaner energy system that provides reliable and affordable energy. Additionally, the Budget provides \$100 million to expand the availability of Diesel Emissions Reduction Act (DERA) grants and rebates to include funds to replace existing school buses with low- and zero-emission buses.

Recognizing the need to further support Tribal, state, and local partners, the Agency is requesting \$423 million in grants to expand efforts in implementing air quality management programs that support on-the-ground efforts to address GHG emissions while building on core work such as air quality training and air toxics monitoring. EPA will continue to build on its historic progress in protecting human health and the environment from the harmful effects of air pollution and work to assure clean air for all Americans, with a particular focus on those in underserved and overburdened communities.

Achieving Clean and Safe Water for All Communities

Clean and safe water is a foundation for healthy communities and a thriving economy, and EPA is committed to ensuring clean and safe water for all. While progress is being made, it is clear that the Nation still faces significant barriers and challenges achieving this goal, including access to safe and clean water, aging infrastructure, replacement of lead pipes, cybersecurity threats to water systems, climate change, and management of public health risks of emerging contaminants of concern, such as PFAS.

In FY 2025, EPA will continue our work with federal, Tribal, state, and nongovernmental partners to advance water quality science, provide clean and safe water for all communities, and protect our Nation's waterbodies from degradation. The Budget provides \$2.4 billion for EPA's Drinking Water and Clean Water State Revolving Funds (SRF) and \$334 million for a range of grant programs authorized or modified in the America's Water Infrastructure Act (AWIA), the Water Infrastructure Improvement for the Nation (WIIN) Act, and the Drinking Water and Wastewater

Infrastructure Act (DWWIA). These resources complement funds provided for water infrastructure programs in the Bipartisan Infrastructure Law (BIL). To further the President's goal of replacing all lead pipes within the next decade, the Budget proposes nearly \$101 million for two grants dedicated to Reducing Lead in Drinking Water and Lead Testing in Schools.

Also included is \$80 million to support the Water Infrastructure Finance and Innovation Act (WIFIA) loan program. As of December 2023, EPA has issued 120 WIFIA loans to communities across the country totaling over \$19 billion in credit assistance to help finance more than \$43 billion for water infrastructure projects. WIFIA loans for these projects have saved communities nearly \$7 billion, which can be used for additional infrastructure investment and to keep rates affordable for water system users. These WIFIA-financed projects have created over 140,000 jobs and benefited more than 63 million people, demonstrating that WIFIA credit assistance is an effective tool to help address a variety of water infrastructure needs to support communities nationwide.

The Budget also requests \$30 million for a new program that addresses gaps in resources to help improve federal response to water-related emergencies where water quality poses a risk to public health. This new program will expand EPA's capabilities both at the headquarters and in the regional offices and establish a water emergency fund that provides direct assistance to affected communities which could be in the form of bottled water, filters, and trained personnel to operate or manage drinking water and wastewater services, among other essential tasks. The agency also requests new authority under the Safe Drinking Water Act 1442(b) to provide technical assistance and grants to any appropriate recipient that is not a State or a publicly owned water system.

To help deliver on President Biden's commitment to tackling PFAS pollution and to accelerate EPA's PFAS Strategic Roadmap, the FY 2025 Budget requests an additional \$60 million to increase our understanding of PFAS and their human health and ecological effects; restrict PFAS use to prevent new PFAS pollutants from entering the air, land, water; and remediate PFAS that have been released into the environment, the agency is taking a comprehensive approach to tackling PFAS pollution across the country. For example, the agency has finalized its PFAS drinking water regulation and is monitoring for PFAS in public water systems. EPA plans to propose an effluent limitation guideline rule for organic chemical manufacturing, metal finishing/electroplating, and landfills industrial point source categories. EPA has also finalized a rule to designate PFOA and PFOS as hazardous substances under Superfund and proposed to add multiple PFAS compounds as hazardous constituents under the Resource Conservation and Recovery Act (RCRA). These rules will strengthen protections for communities and better enable cleanup of lands contaminated with PFAS across the Nation. Additionally, the FY 2025 Budget provides \$289 million for the Section 106 Grants Program, which funds Tribal, state, and interstate water pollution control programs, and is critical funding for actions to identify, assess, and mitigate emerging contaminants in the environment like PFAS.

From the Great Lakes to the Chesapeake Bay, from Lake Pontchartrain to the Puget Sound, the United States is home to water bodies of ecological, cultural, and economic significance. Through EPA's Geographic Water Programs, the Agency assists Tribes, state, and multi-state partners to accelerate and manage the restoration of the ecological health of these water bodies. The Budget invests \$682 million to continue strong support for EPA's Geographic Water Programs to protect and restore these water bodies of special ecological and economic importance to the Nation. In FY

2025, EPA's Geographic Programs will deliver technical and financial assistance to solve problems and support healthy resilient ecosystems that address water quality, water infrastructure, nutrient pollution, habitat loss, treaty rights, equity, and environmental justice.

Safeguarding and Revitalizing Communities

Preventing and cleaning up environmental pollution that harms communities and poses a risk to public health and safety continue to be a top priority for the Administration. Cleaning up America's most contaminated land and reducing exposure to toxic substances are critical components of the Agency's strategy to address human health impacts, particularly in underserved communities where many of these sites are located. The FY 2025 Budget enables EPA to continue to collaborate with Tribal, state, and local partners to improve the livelihood of all residents of the United States by addressing contaminated sites, including Superfund, brownfields, leaking underground storage tanks, and other waste sites and restoring them to productive use.

The Department of the Treasury currently estimates that \$2.2 billion will be available to the EPA in Superfund tax receipts in FY 2025. This funding, combined with annual appropriations, will enable the Superfund program to advance clean-up of the Nation's most contaminated land and respond to environmental emergencies and natural disasters. The Budget includes \$300 million in the Superfund Remedial program to make more progress in communities across the Nation. This historic level of funding will allow EPA to advance critical Superfund pre-construction work such as site characterization, construction design, and community outreach/engagement. Additionally, this funding will allow EPA to continue to effectively and efficiently address situations that require emergency response and removal actions such as chemical releases, fires or explosions, natural disasters, and other threats to people from exposure to hazardous substances, including from abandoned and uncontrolled hazardous waste sites. The Budget also includes \$208 million for EPA's Brownfields programs to provide grants and technical assistance to communities so they can plan, inventory, assess, safely clean up and reuse contaminated properties, as well as \$20 million for the Alaska Contaminated Lands program. Taken together, these investments will ensure EPA is cleaning up sites and fully engaging the communities we serve in the process.

Ensuring the Safety of Chemicals for People and the Environment

Chemicals and toxic substances are ubiquitous in our everyday lives and are often released into the environment from their manufacture, processing use, or disposal. EPA has significant responsibilities under amendments to the Toxic Substances Control Act (TSCA) to ensure the safety of chemicals in or entering commerce and addressing unreasonable risks to human health or the environment. EPA's work in managing chemical safety and toxic substances is particularly important to vulnerable populations, including low-income, minority, and indigenous populations, as well as children, who may be disproportionately affected by, and particularly at risk from, exposure to chemicals. The FY 2025 Budget requests \$132 million for the TSCA Program, an increase of \$49 million above current levels so the agency has the resources needed for the Program. These resources will support EPA-initiated chemical risk evaluations, protective regulations in accordance with statutory timelines, and establish a pipeline of priority chemicals for risk evaluation.

The agency has significant responsibility under the Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA) to screen new pesticides before they reach the market and ensure

pesticides already in commerce are safe. In addition, EPA is responsible for complying with the Endangered Species Act (ESA) and ensuring that federally endangered and threatened species are not harmed when the agency registers pesticides. To continue making progress toward meeting ESA mandates in FY 2025, the Budget includes an additional \$29 million for a total of \$80 million in our environmental pesticides program. The Budget also includes \$29 million for the Pollution Prevention Program to support businesses, Tribes, states, and other partners to promote and facilitate the adoption of approaches to improve multimedia environmental conditions and address climate impacts through reductions in pollutants and other hazardous materials, including an additional \$7.8 million for a new grant program to help small businesses transitioning to TSCA compliant practices to mitigate economic impacts.

Continuing to Build Back Critical Capacity to Carry Out EPA's Mission

Ensuring the Agency has the workforce it needs to carry out its mission is essential. The Budget adds more than 2,000 FTE relative to the current level, for a total of more than 17,000 FTE, to help rebuild EPA's core capacity. The Budget also will dedicate resources to continue strengthening the agency's ability to recruit, hire, develop, promote, and retain top talent and remove barriers to equal opportunity at management and staff levels to strengthen and advance diversity, equity, inclusion, and accessibility.

In FY 2025, the Agency requests an additional \$3.8 million to expand an existing paid internship program across the Agency to strengthen talent and workforce acquisition. A commitment to follow the science underpins EPA's work, and the Budget includes approximately \$1 billion for the Science and Technology account, an increase of more than \$200 million above current levels, that will ensure programs have the best available data to inform decisions.

Conclusion

All people deserve clean air, clean water, and safe land on which to live. This is the core of EPA's mission and is a worthy investment of federal resources. The FY 2025 President's Budget continues the historic progress and investments made by this Administration and positions the EPA to advance our vital mission of protecting human health and the environment, championing environmental justice, and tackling the climate crisis. With these investments we lay the groundwork to ensure the benefits of a cleaner environment for future generations.

Thank you for the opportunity to be here today. I look forward to our continued partnership and welcome any questions you may have.