

**Chairman Lisa Murkowski Opening Statement
Committee on Appropriations Subcommittee on Interior, Environment,
and Related Agencies**

**Hearing to review to Review the FY2017 Budget Request & Budget Justification
for the U.S. Environmental Protection Agency**

April 20, 2016

(As prepared for delivery)

I would like to welcome everyone to today's hearing in the Interior Appropriations Subcommittee. We are here to examine the Fiscal Year 2017 budget request for the Environmental Protection Agency. Administrator McCarthy – I look forward to a constructive dialogue today. Mr. Bloom – welcome back to the Subcommittee.

In Alaska, I am consistently hearing a message that the EPA is overstepping its appropriate role. Rather than focusing on its core mission of cleaning up the environment, the Agency is pumping out rule after rule that is based on questionable legal authority. Two of EPA's most controversial proposals – the so-called Clean Power Plan and the Waters of the United States rule – are on such questionable legal ground that they have been stayed in the courts. And numerous other rules are being challenged by States and other impacted entities who are concerned that EPA continues to push an agenda that lines up more with those who seek to stop all development than with the States and Tribes who are impacted by these decisions.

Although the court stay offers a temporary respite, I continue to be extremely concerned about the Waters of the United States Rule. I have described this rule as a "showstopper" in the past and I firmly believe it will have negative consequences for my home state – and many others – if it is allowed to move forward. Approximately two-thirds of the State of Alaska is considered wetlands and this proposal could subject even the most routine projects to EPA scrutiny and delay.

I am also concerned about the Agency's efforts to use the Superfund statute to require potentially duplicative financial assurance requirements on hardrock mining. From the time when states and federal agencies like the BLM and the Forest Service updated their bonding requirements for mining, no hardrock mining site has been placed on Superfund's national priorities list. Yet, the EPA continues to move forward with a rule that has the potential to make mining prohibitively expensive. I appreciate that your staff has signaled a willingness to work with us as the rulemaking process proceeds and look forward to a continued dialogue on this important topic.

I am also hearing substantial concern with the Agency's latest proposal to regulate methane at existing oil and gas wells. In spite of the fact that natural gas production is up significantly, methane emissions from the oil and gas industry are either flat or on the decline. In fact, one study suggests that methane emissions from hydraulically fractured natural gas wells have fallen approximately 79 percent since 2005. At a time when low oil prices are creating a challenging situation for the industry, I am concerned that this proposal has the potential to limit investment, hamper domestic production, and drive up costs for consumers.

While I have concerns with many of the major rules that the Agency is moving forward with, I am hopeful that we can find a path forward on a laundry list of proposals that will have a real impact on cleaning up the environment. For example, the Fiscal Year 2016 omnibus included \$20 million for targeted airshed grants. My understanding is that the City of Fairbanks is eligible for some of these grants to help deal with the particulate matter problem that exists in that area, and I am hopeful the Administration will work with the Committee to ensure that this type of cleanup can occur.

Additionally, I was pleased that we were able to double the funding for the Alaska Native Villages water program in the Fiscal Year 2016 omnibus to \$20 million, and that we were able to find a way to ensure that the backhaul program can continue to collect trash from Villages in rural Alaska.

I am hopeful that we can find common ground on a number of lower profile issues this year that are extremely important to Alaskans. We still need to find a workable solution for small, remote incinerators that are the only option to deal with solid waste in some areas in Alaska. We need to deal with backup diesel generator concerns in rural Alaska, and find a way to clean up abandoned oil tanks and contaminated lands. Alaskans are willing to find sensible solutions and I look forward to working with the Agency to find those solutions.

Turning to the Fiscal Year 2017 Budget Requests, I have serious concerns with the choices the Agency has made. The budget prioritizes funding for controversial regulatory programs over on-the-ground cleanup. It shifts money away from programs that have demonstrated results in favor of funding the bureaucracy.

The most glaring example of this is the Agency's decision to cut the Clean Water State Revolving Fund by more than \$414 million. While the Agency has proposed an increase in funding for the Drinking Water State Revolving Fund, the Fiscal Year 2017 budget shortchanges the SRFs by approximately \$257 million. At a time when there is an increased focus on the need to improve our nation's water infrastructure because of events in Flint, Michigan and in other cities with water quality issues, this decision is disturbing.

Additionally, the Agency once again proposes to eliminate a program to protect against radon exposure – the second-leading cause of lung cancer behind smoking. And, it proposes to eliminate the grant program I mentioned earlier that has the potential to help improve air quality in areas with particulate matter and ozone issues.

At the same time the Agency proposes these cuts to programs with proven records of success, the budget requests approximately \$235 million to fund the President's climate change agenda – a 48 percent increase over last year's level – even though the Clean Power Plan has been stayed by a federal court. Similarly, the Agency has asked for a \$27.5 million increase in the Agency's enforcement budget – even though I am hearing concerns from Alaskans about the Agency's enforcement activities.

The Agency's choices are troubling and it is my hope that this Committee will choose to fund on the ground clean-up work while reducing the Agency's regulatory overreach.

Thank you to the witnesses for being here. I now turn to Ranking Member Udall for any comments that he would like to make.