

**Opening Statement for Chairman Jack Reed
Environmental Protection Agency FY 2015 Budget Hearing
Interior Appropriations Subcommittee
Wednesday, April 9th, 2014
9:15 a.m.**

Good morning. On behalf of the Interior Appropriations Subcommittee I'd like to welcome everyone to the oversight hearing on the fiscal year 2015 budget for the Environmental Protection Agency.

I'm pleased to welcome Administrator Gina McCarthy to testify before the Subcommittee. This is Administrator McCarthy's first time testifying before the Subcommittee and we're looking forward to hearing her articulate her priorities for the Agency. I'm also always thrilled to welcome another Red Sox fan before the Subcommittee. She is joined by her Acting Chief Financial Officer, Maryann Froehlich. Welcome, Ms. Froehlich.

The President's Fiscal Year 2015 budget request includes \$7.89 billion dollars for EPA. That amount is \$310 million dollars – or 4 percent – below the Fiscal Year 2014 enacted level of \$8.2 billion dollars.

Regrettably, this is the fifth year in a row that the Administration has sent up a declining budget request for EPA and I want to express my disappointment about some of the proposed reductions. This year, in addition to cutting the Agency's program budget, the Administration is proposing a workforce reduction that will bring EPA down to its lowest staffing level since 1989.

Despite the overall cut, the budget makes some important investments, dedicating \$200 million dollars to addressing the threat from climate change and providing an additional \$23 million dollars for chemical safety work that will reduce risks associated with exposure to chemicals. The budget request also includes \$70 million dollars for an initiative called E-Enterprise, which will improve electronic data collection and availability for states and the regulated community.

There are other encouraging funding increases. The request proposes \$5 million dollars for the Geographic Program to restore Southern New England watersheds. These funds will help support the effort to protect, enhance, and restore the coastal watersheds of Southern New England, including the Narragansett Bay in Rhode Island.

The National Estuaries Program is funded at \$26.7 million dollars, an increase \$1.6 million dollars. Also, an additional \$76 million dollars is provided for categorical grants to help states and tribes with their environmental programs, for a total of \$1.13 billion dollars.

Unfortunately, all of the increases proposed in the budget request are paid for through cuts to the the Clean Water and Drinking Water State Revolving Funds. Once again, I am voicing my strong disagreement with the proposed decreases to the State Revolving Funds. The largest reduction in EPA's budget request is to these funds, cutting them by \$581 million dollars or -25% below the FY 2014 enacted level, for a total of \$1.8 billion dollars. If realized, this cut would mean 32,000 fewer jobs and 207 less water infrastructure projects nationally.

It is without question that the State Revolving Fund program creates jobs that put Americans back to work. In February, President Obama said, "one of the fastest and best ways to create new jobs is by rebuilding America's infrastructure." So I am troubled to see that EPA's budget provides the lowest funding level for the State Revolving Funds of any request in the last six years.

I believe that the cuts to the State Revolving Funds proposed by the Administration will be a setback for the economy as well as the environment. I have made it clear that the State Revolving Funds are one of my top priorities and I will continue to push to restore their funding through the appropriations process.

Now, I'd like to turn to my Ranking Member, Senator Murkowski, for any comments that she'd like to make.