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# United States Senate

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS  
WASHINGTON, DC 20510-6175

March 2, 2007

The Honorable Kent Conrad  
Chairman  
The Honorable Judd Gregg  
Ranking Member  
Committee on the Budget  
United States Senate  
Washington, DC 20510

Dear Chairman Conrad and Ranking Member Gregg:

In response to your letter of February 5, 2007, we present the following views and estimates for certain programs under the jurisdiction of the Committee on Environment and Public Works. As in previous years, a brief summary of the Committee's legislative initiatives is included.

The dollar levels represented in these views and estimates are the President's budget request for FY 2008 compared with the funding levels for FY 2007 as specifically stated in, or carried forward from FY 2006 by, the Revised Continuing Appropriations Resolution, 2007 (Public Law 110-5).

## Legislative Initiatives:

The Committee on Environment and Public Works intends to develop and approve several legislative initiatives this year. The only legislation the Committee currently is considering that may include direct spending is a Water Resources Development Act of 2007 (WRDA). The bill will be based substantially upon the bill approved by the Committee and the Senate in the 109<sup>th</sup> Congress, but which was not enacted. That bill as reported by the Committee contained \$1.1 billion in direct spending over the initial five-year period. The 2007 WRDA may contain a similar amount.

The Committee does not anticipate that any other legislation will include direct spending.

In addition, the Committee expects to consider legislation that will address global warming and other issues.

## 1. Environmental Protection Agency

### *State Revolving Loan Funds*

The President's budget request for the Environmental Protection Agency (EPA) includes \$687.6 million for grants to states for capitalization of Clean Water State Revolving Loan Funds (CWSRFs), a reduction of \$396.2 million from the FY 2007 level of \$1.084 billion. The request for Drinking Water State Revolving Loan Funds (DWSRFs) is \$842.2 million, an increase of \$4.7 million over the FY 2007 level.

The national need for investment in water and wastewater infrastructure through the CWSRF and the DWSRF continues to far outpace the amount of funding that is available from all levels of government. EPA's own estimate is that the capital investment shortfall for wastewater infrastructure ranges from \$73 billion to \$177 billion over 20 years, and that the shortfall for drinking water capital investment ranges to as high as \$267 billion over 20 years, if communities do not increase revenues above the rate of inflation.

The Committee expects to consider legislation to reauthorize and significantly increase the authorization levels for the CWSRF and the DWSRF to assist states and local governments in meeting their investment needs. The Committee supports funding for the CWSRF at no less than the level provided in FY 2007, and supports the increase in the DWSRF.

The President's request proposes to cut funding for the Clean Water Act's nonpoint source reduction program (Section 319) by \$10.2 million, or 5 percent, despite recognition by EPA that nonpoint sources of pollution are the single largest source of impairment to the nation's rivers, lakes and near-coastal waters. The Committee opposes this cut.

### *Cleaning up Superfund Toxic Waste Sites*

The President's budget request proposes to reduce spending for Superfund's cleanup program by almost \$7 million compared to FY 2007. The President has also proposed steep cuts in programs that directly clean up hazardous substances or that prepare for responses to emergency releases of hazardous substances. For example, the budget proposes to cut funds for EPA's Emergency Response and Removal, Remedial, and Emergency Response Preparedness programs by almost \$7 million alone. The President also proposes to reduce funding by more than \$6 million for the Inspector General to conduct audits and evaluations of the Superfund program, a 46 percent cut. The budget proposes to reduce funding for forensic support of enforcement actions within the Superfund program by \$1.3 million, a 37 percent cut.

Over the last six years, the Superfund program's pace of cleanups has declined by 50 percent compared to the last six years of the prior administration, from more than 80 cleanups per year to just over 40. This year, EPA revised the projected number of

cleanups in 2007 from 40 to 24 cleanups. Committee opposes the President's proposed cuts in funding for toxic waste cleanups, as well as the proposed cuts in funding for the Inspector General to investigate the management of the Superfund program.

The Committee opposes the President's suggested cuts in forensic support for Superfund enforcement work. The President's budget predicts that the amount of money recovered from polluters is expected to decline this year to \$57 million. Forensic support provides the EPA with the tools that it needs to make polluters pay to cleanup toxic waste sites that threatens public health and environmental quality. Forensics also helps EPA target its enforcement resources to best protect public health.

The nation has 1,240 Superfund sites listed on the National Priorities List, the most heavily contaminated toxic waste sites in the country. One in four people in the country live within four miles of a Superfund site, including 10 million children. Human exposure is not under control at more than 100 Superfund sites, and EPA has insufficient information to determine whether human exposure is under control at more than 162 other sites. The Committee opposes the cuts to the Superfund program.

### *Cleaning up Brownfields*

In 2001, Congress enacted and the President signed into law the nation's brownfields cleanup program, authorizing \$200 million annually for site assessment and cleanup, and \$50 million annually to assist states in implementing voluntary cleanup programs. The President's budget request proposes \$89.3 million for site assessment and remediation, a slight increase from current appropriations but still substantially less than the \$200 million annually that Congress authorized for this important program.

Brownfields are areas where real or perceived contamination inhibits redevelopment efforts, and the federal brownfields program is one of EPA's most popular and successful programs. At the level of funding in the President's request, EPA is able to fund only about one-third of eligible requests. While the President's budget contains a minimal increase in funding for the brownfields cleanup program, the Committee strongly supports full funding of the brownfields program at a \$250 million annual level.

### *Selected Other EPA Program Cuts of Concern*

The President's budget request includes other cuts in EPA programs that are of concern. For example, the President's budget request proposes to reduce funding for several global warming-related activities from the FY 2006 enacted levels, including a cut in the Science and Technology budget for the Climate Protection Program of \$5.5 million, a cut in funding for the "Research: Global Change" program of \$2 million, and a reduction in funding for the Energy Star program of \$5.6 million.

In addition, the President proposes to merge the Children's and Other Sensitive Population Protections program with Environmental Education Program, while cutting the total funding for the new combined office's activities from the FY 2006 enacted levels by more than \$8 million, a 57 percent reduction. Similarly, the President's budget request proposes to cut funding for the Environmental Justice program from the FY 2006 enacted levels by more than \$1.7 million, a 31 percent cut.

The President's budget request also proposes to cut \$2.8 million from EPA's efforts to protect public health and environmental quality from endocrine disrupting chemicals.

### *Air Quality*

The President's budget request includes a total \$35.1 million dollar cut from FY 2006 enacted levels for state and local air quality grants. This includes reductions of \$17 million from the particulate monitoring program, \$15.6 million from section 103 grants and \$2.5 million from regional air planning organizations.

The budget also proposes to shift particulate monitoring funds from section 103 to section 105, which will require states to supply an additional 40% match. States are now facing increased responsibilities for development of new State Implementation Plans for Particulate Matter and Ozone. An additional \$25 million above the FY 2006 enacted level is required to fund these additional responsibilities. In a time of increasing state responsibilities we would support total funding for these programs of \$245.3 million and at a minimum, restoring funding for these programs to FY 2006 enacted levels and retaining PM monitoring funding under section 103.

We would also support funding the Diesel Engine Retrofit Act Program at \$49.5 million, which is what the President requested in FY 2007, although the President's budget request reduced this request to \$35 million in FY 2008. Diesel Engine retrofits are one of the most cost effective ways of obtaining reductions in air pollution and in reducing the risk of premature death from particulate matter.

## 2. Department of Transportation, Federal Highways Administration

The President's budget request for the Federal-aid Highway program contains a \$39.6 billion obligation limitation. This request is \$631 million below the investment levels called for in the Safe, Accountable, Flexible, Efficient Transportation Equity Act: a Legacy for Users (SAFETEA-LU) that was enacted in 2005. The funding levels included in SAFETEA-LU represent a hard-fought compromise reached between the Administration and Congress. The Committee does not support a divergence from the funding levels of SAFETEA-LU, and strongly supports full funding of the highway program at its authorized levels. The Committee opposes the President's request to rescind \$1.3 billion of contract authority previously distributed to the states.

Healthy investment in highway and transit programs, including safety and environmental improvements, improves Americans' quality of life, and is the lifeblood of the Nation's economic growth. Americans and business benefit every day from transportation investments through shortened travel times, increased productivity, and improved safety.

The Committee recommends that the budget resolution support the funding levels in SAFETEA-LU rather than the President's budget request for the Federal-Aid Highway program.

### 3. U.S. Army Corps of Engineers, Civil Works

The President's budget request for the civil works program of the Army Corps of Engineers is \$4.871 billion. This represents a decrease of \$458 million from the FY 2007 level of \$5.329 billion. For years, the President has not requested and Congress has not provided the full amount that the Corps could effectively invest. The Committee believes that the amount the Corps could effectively invest in FY 2008 could be as much as \$1.8 billion above the President's request. The Committee opposes these reductions.

Inadequate funding for civil works projects creates inefficiencies in implementation and delays. Inefficiencies and delays in the budget request can increase the ultimate costs of completing projects by as much as one-third, placing further pressure on resources, and further delaying the achievement of benefits of the program.

The failure to adequately fund the civil works program denies or delays the economic and societal benefits associated with the civil works program. The nation's network of coastal ports and inland navigation systems is essential for the movement of raw and finished good throughout the U.S. and overseas. The failure to adequately fund navigation construction and maintenance activities results in higher costs to the U.S. economy, and lessens U.S. economic competitiveness in the global economy.

The consequences of inadequate investment in flood protection and hurricane and storm damage protection measures were demonstrated with tragic clarity when Hurricanes Katrina and Rita hit the Gulf coast.

A lack of adequate funding postpones environmental restoration projects such as the Everglades restoration program. Many environmental restoration projects require significant land acquisition costs. Delay in implementing these projects allows for necessary lands to escalate in value, significantly increasing the costs of projects.

The Committee notes that while the budget request proposes to reduce spending for operation and maintenance of navigation projects, the balance in the Harbor Maintenance Trust Fund (HMTF) will increase to a surplus of \$4.655 billion. The President's request invests only about one-half of the HMTF receipts and collections. The failure to fully fund activities that are supported through the dedicated HMTF is inconsistent with the collection

of the taxes that support the fund. The Committee opposes cuts in expenditures from the HMTF while the fund surplus continues to increase.

#### 4. Economic Development Administration

The President's budget request includes \$202.8 million for the Economic Development Administration (EDA). Of that amount, \$170 million is for Economic Development Assistance Programs, including \$130.1 million for a new Regional Development Account that encompasses activities from the public works, economic adjustment and technical assistance accounts of previous years; \$27 million for the Partnership Planning Program; and \$12.9 million for the Trade Adjustment Assistance Program.

The President's request represents a cut of \$80.7 million (32 percent) from FY 2007 levels. The Committee opposes the reductions in EDA's funding. EDA has a long and successful history of creating jobs and increasing the economic vitality of communities through public works and economic adjustment assistance. The Committee supports funding at not less than the FY 2007 level.

#### 5. Department of the Interior

The President's budget request for the Fish and Wildlife Service is \$1.3 billion in discretionary funding. With the inclusion of \$859.4 million in mandatory funding, the budget request totals \$2.16 billion.

The Committee is pleased to see the \$5.69 million increase for the Partners for Fish and Wildlife Program. The Committee applauds the efforts of the Department to promote efficiency in the program. The Committee is also pleased to see that the budget proposal moves funding for Yellowstone grizzly bear conservation and gray wolf recovery out of the Partners for Fish and Wildlife Program and into the endangered species recovery program, which provides a more appropriate funding source for these activities. Since enactment of the Partners for Fish and Wildlife Act (P.L. 109-294, Oct. 3, 2006) the Committee is particularly concerned that future funding through the Partners Program be limited to projects that fall within specified program parameters, specifically that projects receiving Partners funding be conducted on private land and that efforts are made to ensure private contributions to leverage federal investments.

The Committee opposes shifting funding for Neotropical Migratory Bird Conservation to the Multinational Species Conservation Fund. These programs are, and should continue to be, run by separate offices within the U.S. Fish and Wildlife Service due to their distinct program characteristics and goals. The Committee is also concerned that the budget request proposes maintaining all of the funding accounts currently within the Multinational Species Conservation Fund at 2006 levels. The Committee supports funding parity for these accounts at levels more aligned to their respective authorized amounts.

6. General Services Administration, Public Buildings Service

The President's budget request for the Public Buildings Service of the General Services Administration (GSA) is \$8.091 billion in new obligation authority. Of the new authority requested, \$4.383 billion is allocated for rental of space; \$2.132 billion is allocated for building operations; \$804 billion is allocated for repairs and alterations; \$156 million is allocated for installment acquisition payments; and \$615 million is allocated for construction and acquisition of facilities.

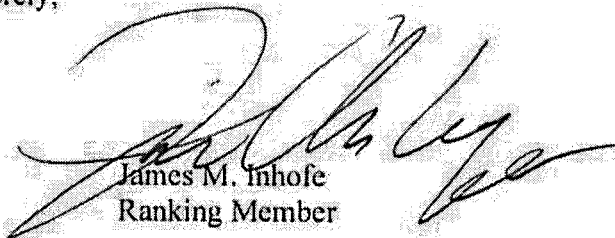
The Committee supports the President's budget, which maintains the status quo of the operation of the Federal Buildings Fund rather than drastically altering the rent structure of the Judicial Branch, a measure supported by the Judicial Conference and some Members of Congress. Such a measure would be inconsistent with standard rent arrangements between GSA and other GSA tenants and would threaten the solvency of the Federal Buildings Fund.

We appreciate the opportunity to comment on the programs within the jurisdiction of the Committee on Environment and Public Works. A letter from the Ranking Member is attached as an addendum. We look forward to working with you as you prepare the Concurrent Resolution on the Budget for Fiscal Year 2008.

Sincerely,



Barbara Boxer  
Chairman



James M. Inhofe  
Ranking Member