

**TESTIMONY OF
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U.S. ENVIRONMENTAL PROTECTION AGENCY**

**BEFORE THE
SUBCOMMITTEE ON WATER RESOURCES AND ENVIRONMENT
COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE
U.S. HOUSE OF REPRESENTATIVES**

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Good morning Chairman Gibbs, Ranking Member Bishop, and Members of the Subcommittee. I am Mathy Stanislaus, Assistant Administrator for the U.S. Environmental Protection Agency's (EPA) Office of Solid Waste and Emergency Response (OSWER). Thank you for the opportunity to appear today to discuss EPA's proposed budget for OSWER programs falling under the Subcommittee's jurisdiction.

EPA's budget request focuses on fulfilling the agency's core mission of protecting public health and the environment. The budget request fully reflects the President's commitment to reducing government spending and finding cost savings in a responsible manner while supporting clean air, clean water, clean land, and the innovative safeguards that are essential to an America built to last.

To clean up our communities, the President is proposing investments that clean up contamination and promote economic development and job creation. The President's 2013 Budget proposes \$164.7 million (not including Smart Growth Program funding) for OSWER's Brownfields program to support State and Tribal cleanup programs and to support planning,

cleanup, job training, and redevelopment of brownfields properties, especially in underserved and disadvantaged communities. Included within the \$164.7 million request are the following categories: (1) \$47.6 million in categorical grants awarded directly to the states to support their own brownfields programs; (2) \$93.3 million for the brownfields projects account supporting competitive grant competitions, revolving loan funds, and job training grants; and (3) \$23.8 million in technical assistance, program operations, and sustainable development through OSWER's EPM account.

EPA's Brownfields program uses its funding to successfully leverage economic investment. On average, more than \$18 is leveraged for every dollar expended, and more than 75,000 jobs have been leveraged through brownfields projects funding since the inception of the Brownfields program. In FY 2013, Brownfields program grantees are projected to assess more than 1,200 properties, clean up more than 120 properties, help create at least 5,000 cleanup and redevelopment jobs, and leverage more than \$1.2 billion in cleanup and redevelopment funding. The assessment and clean up of brownfields properties is essential to community revitalization in economically disadvantaged areas.

The Brownfields program also provides funds for job training. In 2011, one of the successful job training grant applicants was the Zender Environmental Health and Research Group which will use its EPA job training grant funding to serve unemployed residents of rural Alaskan villages. The training will prepare individuals for careers which address solid waste management, leaking above ground storage tanks, and contaminated property cleanup.

EPA launched its Area Wide Planning pilot program in FY 2010. Area wide planning incorporates the surrounding areas associated with brownfields sites to encourage community based involvement and provide for broader revitalization of neighborhoods. By focusing on economically disadvantaged communities suffering from economic disinvestment, brownfields properties can be redeveloped to help meet the needs for jobs, housing, and infrastructure investments that would help rebuild and revitalize these communities, as well as identify opportunities to leverage additional public and private investment. EPA has awarded funding for 23 projects in 18 states which included pilot project grants for local governments in Monaca, Pennsylvania; Ranson, West Virginia; Ogdensburg, New York; Cleveland, Ohio; Goshen, Indiana; Tulsa, Oklahoma; the Pioneer Valley Planning Commission (Chicopee, Massachusetts); the Coleville Confederated Tribes in Washington State; and California nonprofit organizations in Huntington Park and San Diego. In FY 2013, EPA will continue to support the 23 communities who already received brownfields area wide planning awards, and, as part of the Agency's ongoing efforts to assist economically disadvantaged communities, plans to award an additional 20 area wide planning projects.

EPA will continue to ensure that the Nation's wide-ranging rural areas benefit from brownfields funding and technical assistance. EPA will also provide funding for assessment and cleanup of underground storage tanks and other types of petroleum contamination on brownfields sites.

This budget requests \$1.176 billion for Superfund cleanup efforts across the country, which represents a \$37 million reduction from FY 2012 enacted levels and reflects the hard

budget choices that are being made. Superfund Removal and Homeland Security program funding levels are maintained with focused reductions associated with long-term remediation in the Superfund Remedial program. We expect that reductions to the Superfund Remedial program will result in no new EPA-lead construction project starts in FY 2013. EPA will balance the Superfund Remedial pipeline while focusing on the completion of ongoing projects rather than new starts.

We will continue to respond to environmental emergencies, clean up the nation's most contaminated hazardous waste sites, and maximize the participation of liable and viable responsible parties in performing and paying for cleanups. We are committed to continuing the Superfund program's success in protecting human health and the environment and providing local communities opportunities for economic development by cleaning up our Nation's worst hazardous waste sites.

For example, the South Point Plant Superfund site in South Point, Ohio was once the site of facilities that manufactured explosives, industrial chemicals, and fuels. Facility operations had contaminated area soils and ground water. A cleanup remedy addressed the contamination, and enabled the site to be reused for commercial and industrial uses. Today, through the combined efforts of local, state, and federal government partners, and a non-profit economic community development organization, the formerly contaminated site has been redeveloped into The Point, Southern Ohio's premier industrial park encompassing 504 acres with river, rail, and highway access. The industrial park recently received a \$3 million grant from the Economic

Development Administration to build a rail spur that will lead to further economic growth in the area.

Another example is the Pemaco Superfund Site in Maywood, California, located in a densely populated minority community outside Los Angeles, is another example of a Superfund site being cleaned up and returned to productive use. A chemical manufacturing plant had contaminated the surrounding soil and groundwater. After soil treatment, and installation of a groundwater pump and treatment system, the site was incorporated into the Los Angeles River Greenway Project. Today the Maywood Riverfront Park offers soccer fields, playground equipment, handball courts, and basketball courts for area residents, and turned the formerly contaminated site into a community asset.

In addition to site-specific cleanup and redevelopment successes, the Superfund program generates other economic benefits. A January 2012 study completed by researchers at Duke University and the University of Pittsburgh examined the localized benefits from the cleanup of Superfund sites across the United States. Using census tract data, the researchers found that deletion of sites from the National Priorities List significantly raises the value of owner-occupied housing within 3 miles of the site by 18.6% to 24.5%. Additionally, there were significant value effects at the site listing and construction completion program milestones.

EPA has initiated a multi-year effort to integrate and leverage our land cleanup authorities to address a greater number of contaminated sites, accelerate cleanups, and put sites back into productive use while protecting human health and the environment. EPA's Integrated

Cleanup Initiative (ICI) represents EPA's commitment to bring more accountability, transparency and progress to contaminated site cleanups. As a first step, EPA developed a publicly reported performance measure in FY 2011 which tracks the number of Superfund Remedial Action Project completions. In FY 2011, we exceeded our target of 103, by completing 132 remedial action projects. EPA has committed to 130 project completions in FY 2012 and 115 project completions in FY 2013. This new measure will augment EPA's site-wide construction completion measure and help improve project management and provide communities with additional and important site progress information.

EPA has completed four site project management pilots as part of our ICI efforts. Lessons learned include methods to expedite settlement negotiations, producing a more effective procurement and management process through project delivery integration, reducing remedial timelines through increased use of agency-based resources, and utilizing pre-placed contracts for remedial design and remedial action work. We plan to apply the cost and time savings lessons learned through these pilots to other site projects planned and underway in the Superfund program.

One of the principal elements of the ICI is to increase the project management focus and manage projects to completion. In FY 2011, EPA controlled unacceptable human exposures from site contamination at an additional 10 sites, meeting the goal of 10, controlled groundwater migration from site contamination at an additional 21 sites exceeding the goal of 15, made ready for site-wide anticipated use an additional 65 sites meeting the goal of 65, and completed remedy construction at 22 sites throughout the country, meeting the goal of 22. Through the end of FY

2011, cleanup construction has been completed at 1,120 NPL sites, which represents 68 percent of sites listed on the NPL. The FY 2013 goal for construction completions is 19. In FY 2013, we will continue to seek ways to conduct our work as efficiently as possible through innovative contracting approaches and working to incorporate project optimization into our cleanup management. Despite these efficiency efforts, EPA anticipates that the budget reductions will have an impact on program outputs, affecting all aspects of the Remedial cleanup pipeline. However, EPA will strive to continue to maintain key public health measures, including 10 sites where human exposures are brought under control and 15 sites where groundwater migration is brought under control.

The Superfund program also continues to prepare for future cleanup efforts, and in FY 2011 the Agency listed 25 new sites on the NPL and proposed an additional 26 new sites. On March 15, 2012, EPA listed another 9 sites on the NPL and proposed an additional 10 sites for the NPL. Finally, EPA has continued its effort to efficiently utilize every dollar and resource available to clean up contaminated sites and to protect human health and the environment. In FY 2011, EPA obligated nearly \$535 million for Remedial cleanup activities, including funding from the Superfund program appropriation, state cost-share funding, and potentially responsible party settlement funding for Superfund construction and post-construction projects. EPA used \$49 million of this obligated funding to fund 12 new starts on construction projects at 12 NPL sites. In addition, In FY 2011, Superfund remedies were selected in 58 Records of Decision (RODs) and EPA provided oversight for 253 remedial actions at Superfund Federal Facility sites on the NPL.

EPA has been particularly successful in leveraging appropriated funding through the use of responsible party settlements to establish site-specific special accounts. Through the end of FY 2011, EPA had collected more than \$4.0 billion (including interest) in more than 1,000 site-specific special accounts. Of this amount, EPA has disbursed or obligated \$2.2 billion for site response actions and developed multi-year plans for nearly 100% of the remaining \$1.8 billion in special accounts that remains available to fund response actions. In total, through FY 2011, EPA has secured more than \$36 billion in responsible party commitments for site cleanup and reimbursement of past costs. Of this amount, approximately \$30.5 billion is from settlements for cleanup and approximately \$5.8 billion is from settlements for cost recovery.

In addition, the Superfund removal and emergency response program conducted, or provided oversight for 405 EPA-lead and responsible party removal cleanup actions in FY 2011. The FY 2013 target for EPA-lead removal actions is 170, as is the target for responsible party removal actions. EPA's emergency response program will continue to maintain capability to respond to imminent threats to human health, including incidents of national significance, and incidents involving Weapons of Mass Destruction (WMD). EPA is the lead federal agency under the National Response Framework for Emergency Support Function (ESF) 10, which addresses the response to discharges or uncontrolled releases of oil and hazardous materials.

EPA's chemical accident and oil spill prevention programs play an important role in assessing and reducing risks of chemical accidents and oil spills. EPA's Risk Management program works with State and local prevention and preparedness programs to help protect communities from catastrophic releases of hazardous substances from facilities which are

required to submit Risk Management Plans (RMPs). More than 13,000 facilities with Risk Management Plans have been entered into EPA's RMP database. The FY 2013 budget requests an additional \$1.5 million to increase inspections at high risk RMP facilities.

EPA's Oil Spill program is designed to protect inland waterways through oil spill prevention, preparedness, and enforcement activities associated with the more than 600,000 non-transportation related oil storage facilities that EPA regulates. Recognizing the importance that this sector has both to our economy and to our environment, the FY 2013 Budget requests a \$4.6 million increase for OSWER's Oil Spill program which will fund efforts to broaden and expand prevention and preparedness activities, particularly with respect to the inspection of high risk facilities and the development and implementation of a third party audit program.

Approximately 20,000 oil spills are reported each year to the federal government. The severity of these spill reports varies, and EPA evaluates as many as 13,000 spills to determine if its assistance is required. EPA works closely with the U.S. Coast Guard and, on average, either manages the oil spill response or oversees response efforts of private parties at approximately 250 to 300 sites per year. The FY 2013 Budget request for OSWER's Oil Spill prevention, preparedness, and response program is \$19.3 million with a total agency Oil Spill appropriation request of \$23.5 million which includes funding for oil spill research and enforcement efforts.

The President's 2013 EPA budget request maintains the commitment to protect human health and the environment, protects our communities while promoting economic development and job creation, and reflects tough choices in recognizing the fiscal constraints facing our

Nation. Thank you again for inviting me to testify before the Subcommittee. I would be pleased to answer your questions.