

***ENVIRONMENT***  
**Budget Highlights**  
**Fiscal Year 2007 Request**

February 28, 2006

**State and Local Air Quality Management**

The President's FY2007 budget request would cut grants for State and local air quality management by \$35 million, or 15 percent of the amount enacted last year. In contrast, the FY2007 budget request for the other Categorical State and Tribal Assistance Grants has gone up, on average, from last year's enacted levels.

State and local governments have primary responsibility for ensuring that areas meet the health-based standards set by the Federal Government. State and local air programs provide cleaner air, reducing pollution that causes asthma attacks, premature death, and other respiratory and cardio-pulmonary problems. For the key air pollutants, the Federal Government sets the health-based level that is acceptable in outdoor air. States then are charged with developing plans and regulations to bring all areas in the country into compliance with these health-based standards. State and local governments, operating under Environmental Protection Agency (EPA) guidance, also are responsible for issuing all new source review and other clean air permits for sources under their jurisdiction.

The grants that the President's budget request cuts by 15 percent are a significant source of funding for core State and local air programs. They provide funding that is used to pay State and local employee salaries and other expenses necessary to develop and run State and local air programs, including air permit programs.

Recent EPA actions have increased the workload on State and local air quality agencies. As a result of EPA's actions in 2004 and 2005, more than 30 States are required by 2007 or 2008 to develop plans and adopt regulations that will limit air pollution enough to bring these areas into attainment of the national health-based standards for ozone and fine particles.

EPA has made the job of the States more difficult by failing to meet its obligation to provide timely guidance on these State ozone and fine particle plans. Although EPA intended to issue such guidance in 2004 and early 2005, EPA delayed issuing the second phase of the ozone guidance until late this past fall and has yet to finalize the PM<sub>2.5</sub> rule (having only proposed it in November 2005).

To justify the reduction in State and local air grants, EPA relies in part on its issuance of the Clean Air Interstate Rule (CAIR). CAIR is designed to reduce regional air pollution levels by reducing power plant emissions through a regional cap-and-trade program that must be adopted by States but would be run by EPA. Although CAIR will reduce pollution significantly, it does not bring all parts of the country into attainment with the health-based standards. In fact, EPA's analysis has shown that a tighter CAIR would have brought more areas into attainment at cost-effective levels. EPA's 2006 analysis projected that 21 PM2.5 areas and 20 ozone areas would need additional reductions to attain in 2010, and 17 PM2.5 areas and 11 ozone areas would need additional reductions to attain in 2015. EPA's 2006 analysis of S. 843, the "Clean Air Planning Act", indicates that a significantly tighter SO2 program would be a cost-effective way to help more areas meet the PM2.5 standards; the analysis projects that the levels of control in that bill would bring 10 additional areas into attainment by 2010 and five additional areas by 2015.

Arguably, the failure of EPA to adopt CAIR levels that would have brought more areas into attainment at cost-effective levels has increased, rather than decreased, the States' workload. To make up for the emission reductions that could have been achieved under a tighter CAIR, States are faced with either controlling local sources to make up the reductions that could have come from a more stringent CAIR or adopting a more stringent sub-regional power plant program. States in the Northeast, the mid-Atlantic, and the Midwest are actively considering programs more stringent than CAIR. Despite numerous requests, EPA has refused to provide additional guidance to the States regarding these programs. Although it would be a relatively simple matter for EPA to provide advice on how best to design a more stringent State program that could be run seamlessly as part of the Federal program, EPA has refused to do so.

EPA's national rule on mercury is also causing extra work for the States because EPA's rule took a broad, national approach and did not attempt to address specific local hot spots (i.e., localized areas with high mercury deposition from power plants). A number of States have indicated a concern that they will have to conduct additional work at the State and local level to determine whether they have local hot spots and whether to supplement the Federal rule with additional local control requirements.

EPA cites the great progress that has been made on meeting health-based standards for carbon monoxide (CO) and lead, and thus the resulting reduced workload on States, as a major justification for the 15 percent cut in State funding from FY2006 to FY2007. Most of that progress was achieved quite a few years ago, and it is unlikely that States have spent significant time or money on CO or lead standards in the last few years. Thus, EPA has not identified a change in circumstances that would cause a decrease in workload from FY2006 to FY2007. More importantly, the budget justification fails to increase funding for the States' increased workload to meet the PM2.5 and ozone standards.

On February 23, 2006, Ranking Member John D. Dingell sent the following letter to EPA Administrator Stephen L. Johnson concerning the budget request for grants for State and local air quality programs:

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**U.S. House of Representatives**  
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**Washington, DC 20515-6115**

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February 23, 2006

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BUD ALBRIGHT, STAFF DIRECTOR

The Honorable Stephen L. Johnson  
Administrator  
Environmental Protection Agency  
1200 Pennsylvania Avenue, N.W.  
Washington, D.C. 20460-0001

Dear Administrator Johnson:

On February 6, 2006, the President released the Administration's FY2007 budget. It would cut grants for State and local air quality programs by \$35 million, or 15 percent of the amount enacted last year. In contrast, the combined FY2007 budget request for all other Categorical State and Tribal Air Grants has gone up compared to last year's enacted levels.

I am concerned that the Environmental Protection Agency (EPA) has recently taken actions that increase States' workloads on air quality issues, has been late in issuing needed guidance to the States regarding this workload, and is now suggesting that State funding be cut.

The Clean Air Act divides responsibility for clean air programs between the Federal Government and State governments, assigning State and local governments a critical role in ensuring that we have healthy air to breathe. For the key air pollutants, the Federal Government sets the health-based level that is acceptable in outdoor air. States then have primary responsibility for developing plans and regulations to bring all areas in the country into compliance with these health-based levels. State and local air programs provide cleaner air, reducing pollution that causes asthma attacks, premature death, and other respiratory and cardiovascular problems.

In light of the responsibility assigned to State governments under the Clean Air Act, EPA provides grants to support core operational expenses of State and local air quality programs. They provide funding that is used to pay State and local employee salaries and other expenses necessary to issue permits, to monitor air quality, and to develop and run State and local air programs. Michigan's Department of Environmental Quality is concerned that a 15 percent cut in funding will result in decreasing the number of staff handling air issues, which they predict could increase the amount of time it takes to process permits and limit their ability to investigate citizen complaints. According to information released by the Environmental Council of the States, other State and local agencies have predicted similar problems if these grants are cut.

Recent EPA actions have increased the workload on State and local air quality agencies. In 2004 and 2005, EPA determined that 126 areas did not meet the new health-based standard for ozone and 39 areas did not meet the new standards for fine particle pollution. As a result of these designations and requirements of the Clean Air Act, over 30 States are required by 2007 or 2008 to develop plans and adopt regulations that will limit air pollution enough to bring these areas into attainment of the national health-based standards.

EPA's failure to issue implementation rules in a timely fashion has made the States' jobs more difficult. In April 2004, when EPA designated ozone nonattainment areas, then-Administrator Leavitt stated EPA's intent to finalize the ozone rule by the summer of 2004, and the PM<sub>2.5</sub> rule early in 2005. Instead, EPA delayed issuing the second phase of the ozone rule until late fall of 2005. EPA has not yet finalized the PM<sub>2.5</sub> rule, having only proposed it in November 2005. In addition, EPA's "Guidance on the Use of Models and Other Analyses in Attainment Demonstrations for the 8-Hour Ozone National Ambient Air Quality Standards" was not finalized until October 2005.

To justify the reduction in State and local air grants, EPA relies in part on its issuance of the Clean Air Interstate Rule (CAIR), which is designed to limit regional power plant emissions that cause ozone and fine particle pollution. CAIR does not, however, bring all areas into attainment. EPA's 2006 analysis projected that 21 PM<sub>2.5</sub> and 20 ozone areas would need additional reductions to attain in 2010, and 17 PM<sub>2.5</sub> and 11 ozone areas would need additional reductions to attain in 2015. EPA selected levels for CAIR that have increased, rather than decreased, the work load for some States. In CAIR, EPA refused to adopt more stringent controls requested by a number of States, even though EPA's 2006 analysis of S. 843 (the Clean Air Planning Act) indicates that a significantly tighter SO<sub>2</sub> program would be a cost-effective way to help more areas meet the PM<sub>2.5</sub> standards. The analysis projected that the levels of control in that bill would bring 10 additional areas into attainment by 2010 and five additional areas by 2015.

To make up for the emission reductions that could have been achieved under a tighter CAIR, States are faced with either controlling local sources to make up the reductions that could have come from a more stringent CAIR or adopting a more stringent sub-regional power plant program. States in the Northeast, the mid-Atlantic, and the Midwest are actively considering programs more stringent than CAIR. EPA is making the States' job even tougher by refusing to provide additional guidance to the States despite repeated requests. Although it would be a relatively simple matter for EPA to provide advice on how best to design a more stringent State program that could be run seamlessly as part of the Federal program, EPA has chosen to leave the States on their own – guessing about what type of more stringent program, if any, might be acceptable to EPA.

EPA's national rule on mercury is also causing extra work for the States because EPA's rule took a broad, national approach and did not attempt to address specific local hot spots (i.e., localized areas with high mercury deposition from power plants). In defending the type of program and level of control in the mercury rule, EPA relied on the estimate that only 8 percent of total mercury deposition in the United States is from the U.S. utility industry. It turns out that

The Honorable Stephen L. Johnson  
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the national average may not be a fair representation of local conditions across the entire country. EPA-funded research found that nearly 70 percent of mercury in rain collected at an Ohio River Valley monitoring site originated from nearby coal-burning industrial plants, leading one to question what other localities have mercury deposition from nearby coal plants that is dramatically higher than the national average – a question EPA has not answered. A number of States have indicated a concern that they will have to conduct additional work at the State and local level to determine whether they have local hot spots and whether to supplement the Federal rule with additional local control requirements.

To assist us in better understanding the President's budget request for FY2007 and its consequences, please provide responses to the attached questions no later than Thursday, March 9, 2006.

Thank you for your assistance in this matter. If you have any questions regarding this request, please contact me or have your staff contact Lorie Schmidt, Minority Counsel to the Committee on Energy and Commerce at (202) 226-3400.

Sincerely,



JOHN D. DINGELL  
RANKING MEMBER

Attachment

cc: The Honorable Joe Barton, Chairman  
Committee on Energy and Commerce

The Honorable Ralph M. Hall, Chairman  
Subcommittee on Energy and Air Quality

The Honorable Sherrod Brown, Ranking Member  
Subcommittee on Health

**Questions for the Honorable Stephen L. Johnson  
Administrator, Environmental Protection Agency**

1. Part of the justification provided for reducing States and local air grants is that “Substantial progress has been made in attaining the NAAQS for lead and carbon monoxide (CO). State efforts are now focused on maintaining compliance with the lead and CO NAAQS and therefore funding for these activities reflects this shift.”
  - (a) How much money have States spent each year in the last five years (FY2002 through FY2006) on attainment of the lead and CO NAAQS?
  - (b) How much money do you anticipate that States will need to spend in FY2007 on attainment of the lead and CO NAAQS?
  - (c) Please identify the CO and lead State implementation plans (SIPs) that have been developed and submitted in each of the last five years (excluding minor revisions to existing SIPs).
  - (d) How many CO and lead SIPs do you expect to be submitted in FY2006 and 2007?
2. What activities that were funded through the States and local air grants in FY2005 or FY2006 do you believe States do not need to do in FY2007? How much do each of these activities cost?
3. EPA designated areas as nonattainment for ozone in 2004 and for PM2.5 in 2005, which triggered obligations to submit State implementation plans in 2007 and 2008, respectively.
  - (a) For each year from FY2004 through FY2006, please indicate how much States spent developing ozone and PM2.5 SIPs.
  - (b) Of the President’s FY2007 budget request for State and local air grants, how much is for development and adoption of ozone and PM2.5 SIPs?
4. The Budget Justification indicates a decrease of \$15.6 million in State and local air grants due to progress in attaining the NAAQS for CO and lead, and for other reductions from national programs such as CAIR. Compared to previous years, States also have increased responsibilities such as adopting ozone and PM2.5 SIPs. Does the President’s FY2007 budget reflect increase funding for these increased responsibilities? If so, what is the increase?
5. For each year, FY2005 through FY2007, how much money do you believe States and regional planning organizations have spent analyzing power plant reductions or developing power plants regulations more stringent than CAIR?
6. EPA intends to finalize a new coarse particle standard in September 2006. Will this require new monitors or monitoring efforts by the States? If so, what additional funding for this effort is provided in the FY2007 budget request?

## **Brownfields**

The President's FY2007 budget request of \$89.1 million for Brownfields cleanup and assessment grants is \$31.4 million, or 26.2 percent, less than his budget request for FY2006. When the Small Business Liability Relief and Brownfields Revitalization Act was signed by the President in 2002, he talked about "requesting that Congress double EPA's Brownfields funding" and described the bill as "a good jobs creation bill." The law provides an authorization of \$200 million per year. But the budget request, with the inclusion of administrative funds, reflects just 56 percent of the amount authorized by law.

On February 21, 2006, Ranking Member John D. Dingell and Subcommittee on Environment and Hazardous Materials Ranking Member Hilda L. Solis sent the following letter to EPA Administrator Stephen L. Johnson concerning the budget request for Brownfields cleanup and assessment grants:

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U.S. House of Representatives  
Committee on Energy and Commerce  
Washington, DC 20515-6115

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February 21, 2006

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The Honorable Stephen L. Johnson  
Administrator  
Environmental Protection Agency  
1200 Pennsylvania Avenue, N.W.  
Washington, D.C. 20460-0001

Dear Administrator Johnson:

On February 6, 2006, the President released the Administration's FY2007 Budget. Surprisingly, the President's budget request of \$89.1 million for Brownfields cleanup and assessment grants under Section 104(k) to local governments was \$31.4 million (or 26.2 percent) less than his comparable budget request for FY2006.

According to the U.S. Conference of Mayors and numerous organizations involved in local planning and development:

"These funds are used to assess and cleanup brownfields such as abandoned or under-utilized warehouses, inactive factories, gas stations, salvage yards, vacant lots, contaminated properties, and other eyesores that plague virtually every community. These properties cause blight to neighborhoods, inhibit economic development, pose risks to public health and the environment, and erode the tax base of most communities."

The President's budget documents for FY2007 contain glossy pictures highlighting the fact that a "Brownfields grant results in creation of affordable housing" and states that "EPA Brownfields grants support local revitalization efforts by funding environmental assessment, cleanup, and job training activities, so that properties can be used for business, green space or housing."

However, it appears that the President, following the lead of the Republican leadership in Congress, has abandoned the idea of a robust Brownfields program administered by the Environmental Protection Agency (EPA) that will bring jobs and economic revitalization to our

communities. The President and the Republican leadership talk a lot about this important program, but talk is empty without adequate funding.

When the President signed the Small Business Liability Relief and Brownfields Revitalization Act (P.L. 107-118) on January 11, 2002, at a press event in Conhohocken, Pennsylvania, he talked about "requesting that Congress double EPA's Brownfields funding" and described the bill as "a good jobs creation bill" and one that will "arrest urban sprawl" by developing Brownfields. The law that the President signed and touted four years ago authorizes \$200 million a year in cleanup and assessment grants (under Section 104(k) of CERCLA) to local governments and others to aid in the cleanup and redevelopment of Brownfields sites. Rather than seeking full funding for this jobs creation program, the President's FY2007 budget is a 26 percent reduction from his FY2006 budget request and is only 56 percent (\$89.1 million + \$22.8 million in administrative costs vs. \$200 million) of the actual amounts authorized by law.

There are real world results from these budget cuts. Over two-thirds of the approximate 700 grant applications in each of the past two years have gone unfunded. The Conference of Mayors and six other local development organizations have described the situation as follows:

"Still, EPA has been forced to turn away more than two-thirds of the applicants for Federal brownfields assessment and cleanup funding due to limited funds. Without these critical seed funds, thousands of sites will remain idle, blighting neighborhoods and undermining local revitalization."

The Conference of Mayors has called the grants to localities and non-profit organizations as "the most important and effective component of EPA's Brownfields program."

We believe the Administration's FY2007 budget request is shortsighted. The promise of this jobs creation and economic revitalization program is being crippled by the President's budget request and the funding levels imposed by the Republican-led Congress.

We also recall the EPA press release issued on February 4, 2005 – three days before the President's FY2006 budget request was released – under the heading of "Increase in Brownfields Funding Underscores President's Commitment to Revitalization." At the time, the Administration's public relations effort was taking credit for asking for \$30 million more for Section 104(k) Brownfields grants than had been appropriated the previous year. The press release also made the bold claim that "the Brownfields program is a top environmental priority for the Administration."

With the President's reduced request of \$31 million in the FY2007 budget, it appears that we can safely assume that the Brownfields program is no longer "a top environmental priority for the Administration." We suspect that communities all over the country will want to know why this jobs creation and economic revitalization program is no longer an Administration priority

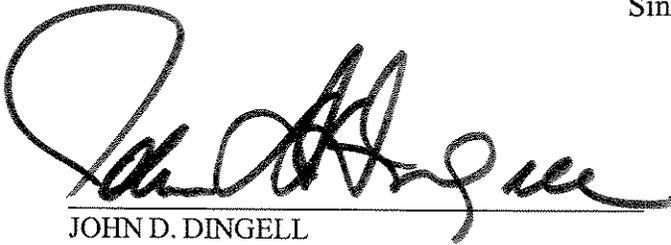
The Honorable Stephen L. Johnson  
Page 3

and whether previous public statements by the EPA were merely a cynical public relations exercise.

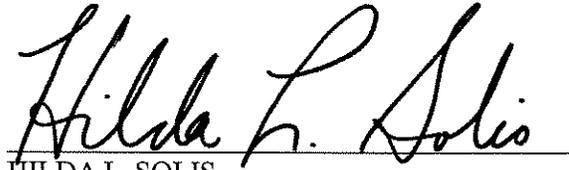
To assist us in better understanding the President's budget request for FY2007 and its consequences please provide responses to the questions contained in the attachment no later than Tuesday, March 7, 2006.

Thank you for your assistance in this matter. If you have any questions regarding this request, please have your staff contact Richard A. Frandsen, Senior Minority Counsel with the Committee, at (202) 225-3641.

Sincerely,



JOHN D. DINGELL  
RANKING MEMBER  
COMMITTEE ON ENERGY AND COMMERCE



HILDA L. SOLIS  
RANKING MEMBER  
SUBCOMMITTEE ON ENVIRONMENT AND  
HAZARDOUS MATERIALS

cc: The Honorable Joe Barton, Chairman  
Committee on Energy and Commerce

The Honorable Paul E. Gillmor, Chairman  
Subcommittee on Environment and Hazardous Materials

Attachment

**Questions for Administrator Stephen L. Johnson**

1. What is the rationale for requesting \$31.4 million or 26.2 percent less than last year for the Brownfields grants program authorized by Section 104(k)?
2. Please provide the total number of Brownfields grant applications the EPA received in FY2005 under Section 104(k) and the number it actually funded.
3. Please provide a list identifying each applicant that applied for Section 104(k) grant but failed to receive funding in FY2005. Please provide the name, city and state of each applicant and the amount requested.
4. How many applications have been received for funding under Section 104(k) in FY2006? How many applications are requesting funding for multiple eligible projects? How many applications does the EPA expect to be able to fund in FY2006?
5. Is it correct that only \$75 million is actually available for grants for site assessment and cleanup?
6. Does the EPA administer any other program that creates more jobs or provides more opportunities for economic revitalization than the Brownfields program under Section 104(k)? If so, please identify any such programs.
7. The following is a chart containing the budget requests and the enacted levels over the past four fiscal years:

Brownfields  
(Millions)  
Section 104(k) grants to local government for assessment and cleanup

Budget Request		Enacted	
FY2004	\$120.5 plus \$29 million for administrative costs	FY2004	\$92.9 plus administrative costs
FY2005	\$120.5 plus \$30.2 million for administrative costs	FY2005	\$89.2 plus administrative costs
FY2006	\$120.5 plus administrative costs	FY2006	\$88.6 plus administrative costs of \$22.5
FY2007	\$89.1 plus administrative costs of \$22.8	FY2007	

Two examples of budget requests of the President in FY2006 that went unfunded or were dramatically underfunded by Congress are the EPA's Homeland Security Emergency Preparedness and Response program to develop agency-wide capability to respond to incidents of national significance from weapons of mass destruction (\$9.5 million) and the Water Sentinel program (33 million requested in FY2006 -- \$8 million actually funded). Yet the President renewed his full FY2006 budget requests for these programs in FY2007.

Why didn't the Administration follow the same approach for the Brownfields program?

## **Leaking Underground Storage Tanks**

The Energy Policy Act of 2005 included a major increase in the authorization for the Leaking Underground Storage Tank (LUST) program to \$605 million for FY2007, including \$400 million from the LUST trust fund for the cleanup of petroleum spills. This large increase was prompted by concerns over contamination of drinking water supplies from methyl tertiary butyl ether (MTBE) with the most widely cited estimate being \$29 billion. The law also continued 0.1 cent per gallon tax on motor fuels that all motorists in America pay, which will add \$196 million to the LUST trust fund bringing the total fund to an estimated \$2.764 billion. The President's budget, however, requests just \$72.8 million for cleanup, less than last year's appropriation. In short, the gasoline taxes paid by consumers are not going for their specified purpose of cleanup. In the meantime, there is a backlog of 119,000 releases, and completed cleanups will decline from 18,518 in FY2003 to 13,000 in FY2007.

On February 22, 2006, Ranking Member John D. Dingell and Subcommittee on Environment and Hazardous Materials Ranking Member Hilda L. Solis sent the following letter to EPA Administrator Stephen L. Johnson concerning the budget request for Leaking Underground Storage Tank (LUST) Program:

RALPH M. HALL, TEXAS  
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BUD ALBRIGHT, STAFF DIRECTOR

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February 22, 2006

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The Honorable Stephen L. Johnson  
Administrator  
Environmental Protection Agency  
1200 Pennsylvania Avenue, N.W.  
Washington, D.C. 20460-0001

Dear Administrator Johnson:

Last summer, the Congress completed the conference on the Energy Policy Act of 2005, and the President signed it into law on August 8, 2005 (P.L. 109-58). Title XV, Subtitle B of the Energy Policy Act of 2005, dramatically increased the authorization for the Environmental Protection Agency Leaking Underground Storage Tank (LUST) program to \$605 million annually. This was necessary to support increased cleanups of leaking underground storage tanks and provide funding to States to carry out new inspection, operator training, delivery prohibition, and secondary containment/financial responsibility requirements.

Much of the debate in Congress on this subject over the past few years centered on the escalating costs to cleaning up contamination of drinking water supplies from methyl tertiary butyl ether (MTBE) with the most widely cited estimate being \$29 billion. According to the Environmental Protection Agency (EPA) 2006 Annual Performance Plan and Congressional Justification, MTBE contamination can increase cleanup costs from 25 percent to more than 100 percent. This debate led Congress to authorize \$400 million per year from the LUST Trust Fund to fund petroleum and MTBE cleanups to minimize the continuing impacts on drinking water supplies and the environment (Section 9014 2(A) & (B) of the Solid Waste Disposal Act).

The President's budget acknowledges that there is a national backlog of over 119,000 confirmed releases in need of cleanup. In addition, the budget documents indicate that new confirmed releases averaged 10,844 annually between FY1999 and FY2005. We also note that completed cleanups nationwide will fall dramatically from 18,518 in FY2003 to the target of 13,000 set forth in the President's FY2007 Budget request.

We also note that the Energy Policy Act of 2005 extended until 2011 the 0.1 cent per gallon tax on motor fuels that all motorists in America pay. According to the budget documents, revenues from this tax were \$189 million in FY2005 and are estimated to climb to \$194 million in FY2006 and \$196 million in FY2007.

The tax revenues are dedicated to the LUST Trust Fund, which will increase from \$2.349 billion in FY2005 to an estimated \$2.764 billion in FY2007. However, with over \$2.7 billion in a dedicated LUST Trust Fund and over \$190 million in revenues for FY2007, the President is only requesting \$72.8 million – a slight reduction from his FY2006 budget request and less than the enacted level from FY2006. The following table shows the budget requests and enacted levels for the past four Fiscal Years:

**LEAKING UNDERGROUND STORAGE TANKS**  
(For cleanup)  
(Millions)

Budget Request		Enacted	
FY2004	\$75.5	FY2004	\$75.6
FY2005	\$72.5	FY2005	\$69.4
FY2006	\$73.0	FY2006	\$76.2
FY2007	\$72.8	FY2007	

The President’s budget request for FY2007 ignores the clear Congressional intent, demonstrated by a \$400 million annual authorization in the Energy Policy Act of 2005, to increase funding for cleanup of leaking underground storage tanks. Why did the President support and sign into law an additional approximate \$1 billion in taxes on U.S. motorists if he is not willing to request that the money be spent for the specific purpose for which it is collected?

On December 9, 2005, a coalition of State officials, gasoline marketers, convenience store owners, and major environmental organizations joined together to request that you and Office of Management and Budget, Director Joshua Bolten change the “minimal annual budget requests and appropriations levels...” Their letter to you further stated as follows:

“Clearly, the LUST Trust Fund is being used as a Federal deficit reduction device rather than for the important purpose originally envisioned by Congress -- protection of the environment. This situation must change. We request your assistance in making this change happen as soon as possible...”

The Energy Policy Act of 2005 contained several reforms to the Federal UST [underground storage tank] program that expand the permitted uses of Federal LUST Trust Fund dollars and place substantial new responsibilities on the EPA and State UST agencies. The legislation authorized significant increases in appropriations from the Fund to assure that EPA has the financial resources to implement these reforms, to assure that the new regulatory provisions do not represent an unreasonable burden on the States, and to allow EPA and states to expand their response to UST petroleum releases, including those containing MTBE. If the Administration and Congress do not break with tradition and appropriate significantly higher amounts from the Fund in the coming years, EPA and the States will be unable to implement these important reforms.”

This request from State officials who implement the program, tank owners, and public interest groups appears to have fallen on deaf ears. The question is why – particularly since the source of funding for the LUST Trust Fund is a direct tax on the motoring public. We look forward to your response.

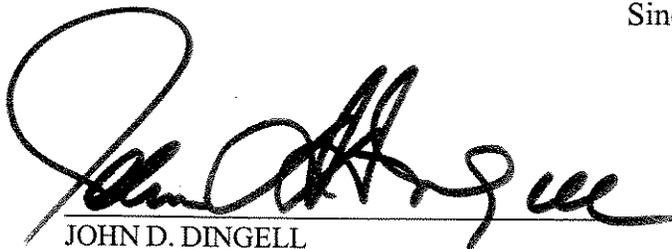
We are also aware that the President’s FY2007 budget requests an increase in funding from \$11 million to \$37.5 million, from the State Tribal Assistance Grant (STAG) account for new inspection, operating training, delivery prohibition, and secondary containment/financial responsibility requirements imposed by the Energy Policy Act of 2005. However, the Energy Policy Act of 2005 authorized \$155 million (Section 9014(2)(C) & (D) of the Solid Waste Disposal Act) to carry out these specific prevention activities. The President’s budget request is only 24 percent of the authorized amount. By what analysis did you determine that \$37.5 million was an adequate amount? How much will each State receive? Please provide any analyses that EPA has conducted concerning the adequacy of the President’s budget request to fund these important prevention requirements.

We also note and strongly oppose the President’s budget request to cut \$35 million from the same STAG account for grants to the States to implement the Clean Air Act, and questions on that requested cut will be the subject of separate correspondence.

The Honorable Stephen L. Johnson  
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Please provide a response by no later than Wednesday, March 8, 2006. If you have any questions concerning this request please have your staff contact Richard A. Frandsen, Senior Minority Counsel to the Committee, at (202) 225-3641.

Sincerely,



JOHN D. DINGELL  
RANKING MEMBER  
COMMITTEE ON ENERGY AND COMMERCE



HILDA L. SOLIS  
RANKING MEMBER  
SUBCOMMITTEE ON ENVIRONMENT AND  
HAZARDOUS MATERIALS

cc: The Honorable Joe Barton, Chairman  
Committee on Energy and Commerce

The Honorable Paul E. Gillmor, Chairman  
Subcommittee on Environment and Hazardous Materials