

**Opening Statement of the Honorable Fred Upton**  
**Subcommittees on Energy and Power and Environment and the Economy**  
**Hearing on “The Fiscal Year 2016 EPA Budget”**  
**February 25, 2015**

*(As Prepared for Delivery)*

Welcome Administrator McCarthy. We appreciate you appearing before us today to discuss EPA’s budget request and priorities. We do have areas of sharp disagreement, but I am hopeful our time together will not be disagreeable.

I am sad to say the budget request looks like we can expect more of the same red tape and costly rules. And that concerns me because I think these regulations are going to cost American households and families. They are going to cost our businesses, particularly manufacturing. Manufacturers in Michigan and across the country finally have an edge. For the first time in years, major global manufacturers are eyeing Michigan and other states to set up or relocate operations. Momentum is on the side of American workers. But EPA’s regulatory agenda threatens to raise costs and shift the advantage back to foreign manufacturers.

EPA seems intent on locking-in a long list of new regulations that will bind future administrations. Along with the Clean Power Plan, EPA has a proposed new ozone standard that may prove to be the most expensive rule ever. It may also propose new measures targeting methane emissions from oil and natural gas production. The shale revolution has been one of the few bright spots in the economy in recent years. We should be focusing on ways to leverage and multiply the benefits – for example, by creating jobs building energy infrastructure. The last thing we should do is jeopardize these benefits with rules that may make drilling in America too expensive.

I’d like to see EPA focus on its current responsibilities before taking on new ones. The agency is working on a new ozone rule even though it is well behind schedule implementing the existing standard. And the agency routinely misses its deadlines under the Renewable Fuel Standard, making this problematic program even more difficult.

While we do have our clear differences, your testimony today also presents an opportunity to explore areas of common ground. For example, we can embrace much of the EPA rule on coal ash, but go a step further and place permitting authority in the states. This should work for EPA making sure that the EPA’s control standards are effectively enforced. It should also work much better for the states who will have explicit benchmarks to meet and the authority to manage the implementation. It will also work for the people responsible for handling the combustion residuals every day, including plant operators, recyclers, and other job creators who will be given the regulatory certainty they need.

Likewise, it was clear last year that your goals and ours for TSCA reform overlap. Let’s sit down and work out good legislation to improve safety for the public and to ensure a robust interstate market for chemicals and products that contain them.

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