

**Opening Statement of the Honorable Ed Whitfield
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)

This morning, the Energy and Power and the Environment and the Economy Subcommittees will explore the Environmental Protection Agency’s (EPA) FY 2016 budget proposal, and I welcome Administrator McCarthy to this hearing. The proposed budget is \$8.59 billion dollars, a \$452 million dollar increase over last year’s appropriation.

This amount is more than enough to allow the Agency to perform its required duties under the Clean Air Act and all the other statutes that it administers. The problem is that the Obama EPA has strayed well beyond its legitimate functions and has embarked on an expansive and expensive global warming regulatory agenda that is on shaky legal ground and is bad policy for the country.

Most problematic of all is the proposed Clean Power Plan and the Agency’s attempted federal takeover of state electricity systems. In that plan, the Agency is seeking to dictate to states how electricity will be generated, transmitted, and used. The Agency is regulating far outside its authority, and reveals as much in its Congressional justification for the FY 2016 budget. In this document, EPA refers to the Clean Power Plan as “unprecedented,” “groundbreaking,” and “unique,” and admits that it “requires the agency to tap into technical and policy expertise not traditionally needed in EPA regulatory development.” EPA says these things in order to justify the considerable outlays needed to pursue this regulatory detour, but in my view it raises serious questions whether the agency has the authority to do so in the first place.

Perhaps the most disturbing admission of all is that the Agency anticipates the need to hire many new lawyers to implement this highly complicated rule and defend it against litigation from states and other opponents. To me, the fact that EPA thinks it has to lawyer-up to fight state governments is a sure sign that the Clean Power Plan is not in the best interests of the American people. I would much prefer that the Agency work cooperatively with the states and listen to their concerns rather than try to beat them in court.

The Clean Power Plan for existing power plants is only part of the Agency’s rulemaking agenda targeting coal and increasing costs to ratepayers. There is also the proposed New Source Performance Standards that effectively outlaw new coal-fired generation. There is the very expensive “Utility MACT” rule that is already contributing to power plant shutdowns, as well as the Cross-State Air Pollution rule, the regional haze requirements, and others. We will also have a much more stringent ozone rule, which would adversely affect electricity generation as well as manufacturing. As a result, we are already seeing rising electric bills and reliability concerns due to this anti-coal agenda, and the worst is yet to come.

While the Agency has embarked on its global warming agenda and other regulatory overreaches, it has dropped the ball badly on many of its non-discretionary duties. Most notably, EPA has repeatedly missed the statutorily imposed deadlines for implementing the Renewable Fuel Standard. The 2014 rule was supposed to have been finalized by November 30, 2013, so that regulated companies would know ahead of time what will be required of them. Instead, the Agency has still not finalized its rule, and 2014 is already over. Some biofuel companies have literally gone out of business while EPA has failed to act. The same is true for many other non-discretionary duties that the agency has delayed or ignored.

The Agency’s atrocious record meeting its required deadlines stands in sharp contrast to the front-burner status given to its discretionary global warming agenda, and now the administration is requesting even larger sums to expand this agenda. I cannot help but think that the manpower and dollars going to global warming is partly responsible for the Agency’s neglect elsewhere. The Obama administration may consider global warming to be its number one priority, but I certainly don’t, and I am disturbed to see the

extent the Agency is willing to shirk its actual responsibilities to focus on it. As it is, EPA's agenda is badly out of line with the law and with the public interest, and unfortunately this budget is a reflection of that.

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