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BEFORE THE

COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE

UNITED STATES HOUSE OF REPRESENTATIVES

October 18, 2007

Mr. Chairman and members of the Committee, I am Benjamin H. Grumbles, Assistant Administrator for Water at the United States Environmental Protection Agency (EPA). Thank you for the opportunity to discuss the Clean Water Act (CWA) and EPA's programs to protect, restore, and enhance water quality. Today is a special day for America's waters, wetlands, and watersheds: The CWA turns 35. As we celebrate one of the world's most successful and enduring environmental laws, we also should reflect on what we have accomplished and where we should focus our efforts to increase the pace of environmental progress. Our Nation's waters are cleaner and safer than before, thanks largely to the landmark legislation contained in the CWA.

Significant progress

The Clean Water Act (CWA) has dramatically improved water quality through discharge permits, scientific standards, state and local funding, and watershed planning.

Wastewater Management

Thirty-five years ago some of the nation's rivers were open sewers posing health risks, and many water bodies were so polluted that swimming, fishing, and recreation were impossible. A year after Congress passed the CWA to limit raw sewage and other pollutants discharges into our water resources, EPA issued the first industrial discharge permits under the National Pollutant Discharge Elimination System (NPDES). Due to this permit program, 31 millions pounds of pollutants are no longer discharged into the waterways each year. More than 50 industrial sectors now comply with nationally consistent discharge regulations. In addition, sustained efforts to implement best management practices have helped reduce runoff of pollutants from diffuse, or "nonpoint," sources.

Today, of the 222.8 million people served by wastewater treatment facilities, more than 98.5 percent (219.5 million people) are served secondary treatment by systems that remove up to 90 percent of the pollutants in the water. Such advances in wastewater treatment constitute one of the major achievements in modern American public health.

EPA develops technology-based effluent limitation guidelines and standards that provide effluent limits based on current available technologies. These limits are then incorporated into technology-based NPDES permits. Unlike other Clean Water Act tools, effluent guidelines are national in scope and establish pollution control obligations for all facilities that discharge wastewater within a specific industrial category or subcategory. Since 1972, the Office of Water has promulgated 56 rulemakings for effluent guidelines which collectively have removed more than 602 billion pounds of pollutants from industrial wastewater discharges.

Recreational Waters

EPA has strengthened water quality standards throughout all the coastal recreation waters in the United States. All 35 States and Territories with coastal recreation waters now have pathogen water quality standards as protective of human health as EPA's recommended water quality criteria – an increase from 11 States and Territories in 2000. States have significantly improved their assessment and monitoring of beaches; the number of monitored beaches has increased from about 1,000 in 1997 to more than 3,500 in 2006.

EPA has improved public access to data on beach advisories and closings by improving the Agency's electronic beach data collection and delivery systems.

Today, BEACH Act States easily transmit data to EPA on their Beach Monitoring and Notification Programs through a system known as "eBeaches." The data is uploaded onto a nationally-accessible Internet site that is easily reached by the public.

In the area of research, EPA has conducted cutting-edge research on the use of molecular-based methods for more quickly detecting indicators of fecal contamination in coastal waters. The Agency's Office of Research and Development has also completed critically needed epidemiological studies correlating the results from these methods to the incidence of gastro-intestinal illness. These molecular methods show great promise for providing quicker test results and allowing beach managers to make faster and better decisions about the safety of beach waters, though significant technical issues still need to be resolved before these methods are recommended for widespread use. Faster and better decisions are good for public health and good for the economy in beach communities. We share the goals of the public and State beach managers for making the best decisions possible about keeping beaches open or placing them under advisory.

Funding

In 1973, EPA implemented regulations for management of the Construction Grants Program, under Title II of the Clean Water Act. Twelve years later, the

Clean Water State Revolving Fund replaced the Construction Grants program as the primary source of Federal funding for municipal wastewater treatment projects. Over the past 19 years, the CWSRF program has played a significant role in helping to finance water infrastructure. During this time period, EPA has provided approximately $25 billion to help capitalize the state-run programs. In combination with state monies, bond proceeds, and recycled loan repayments, the CWSRFs have been able to "leverage" the Federal investment into $61 billion to fund wastewater infrastructure and water quality projects.

Wetlands

Wetlands are a critical national resource providing water quality and habitat functions. Since enactment of the Clean Water Act and its amendments in 1977, the annual rate of wetland loss, has been significantly reduced from an estimated 290,000 acres per year in the 1970s to what the U.S. Fish and Wildlife Service currently reports as a net gain of wetlands of approximately 32,000 acres per year during the period between 1998 and 2004. In 1988, then President Bush adopted the National wetlands Policy Forum recommendation of no net loss of wetlands. More recently, the current Bush Administration has challenged the country to go beyond no net loss of wetlands to achieve an overall gain of this vital aquatic resource. On Earth Day 2004, President Bush established a new goal, to increase the quantity and quality of at least 3 million wetland acres by Earth Day 2009. The Federal agencies working to achieve this goal recently

announced that 2.8 million acres of wetlands have been restored, improved and protected nationwide in just the first three years of this ambitious initiative.

EPA continues to collaborate with the Corps and our other partners to improve our Clean Water Act regulatory tools in order to further protect these vital resources. For example, the agencies have proposed revisions to regulations governing compensatory mitigation under the CWA 404 permitting program designed to improve the effectiveness of compensatory mitigation at replacing lost aquatic resource functions and area, expand public participation in compensatory mitigation decision-making, and improve the performance and results of aquatic resource compensation projects. We are striving to publish the final rule later this year. EPA also supports state and tribal efforts to protect wetland resources through the Wetland Program Development grants which build capacity in areas such as monitoring, development of water quality standards for wetlands, identification of sites for restoration, establishment of state or tribal wetlands protection programs, and ensuring permitting and mitigation requirements are met.

Watersheds and Great Waters

For over a decade, EPA has advocated a watershed approach to achieving and monitoring water quality progress. Increases in funds for the section 319 Nonpoint Source (NPS) Program enabled EPA to provide states and local and

tribal governments with greater assistance in developing watershed plans, monitoring the effectiveness of NPS controls, demonstration projects including technology transfer, and training, all aimed to address the growing concern over nonpoint source pollution.

Regional collaborations have allowed EPA and our federal, state, and local partners to accelerate environmental progress in our great water bodies. The Great Lakes Interagency Task Force, which had its genesis in the Great Lakes Executive Order signed by President Bush in March 2004, brought Federal agencies together with state, local, tribal and Congressional participants, along with many other Great Lakes stakeholder groups, in an unprecedented partnership to improve coordination and protection efforts across all levels of government in the Great Lakes. The Chesapeake Bay Program was established in 1984. This effort has made a profound difference to the health and vitality of the Chesapeake Bay and has helped to limit damage to the ecosystem by preserving millions of acres of critical habitat. The Gulf of Mexico Program is working with the scientific community; policymakers at the federal, state, and local levels; and the public to help preserve and protect the Gulf. It has made significant progress in identifying the environmental issues in the Gulf ecosystem and in organizing a program to manage those issues. The Program provides a tool to leverage the resources of 18 different Federal agencies, a variety of environment-related agencies from the states and numerous public and private organizations.

Since 2004, EPA, through the National Estuary Program (NEPs), CWA Section 319 Nonpoint Source Grant Program, 5-Star Restoration Challenge Grant Program, and Superfund Program, has restored 25,820 acres, improved 57,270 acres, and protected 101,990 acres of wetlands. The 28 National Estuary Programs and their partners have protected or restored over 1 million acres of habitat since 2000.

Meeting Challenges and Priorities

In October of 2002, EPA released the Clean Water and Drinking Water Gap Analysis Report. The report estimated that if capital investment remained at current levels, the potential gap in funding between 2000 and 2019 would be approximately $122 billion (in 2001 dollars) for wastewater infrastructure. However, the gap is significantly reduced if municipalities increase clean water spending at a real rate of growth of three percent per year. This real rate of growth is consistent with the long-term growth estimates of the economy. Under this scenario, the gap estimate is approximately $21 billion between 2000 and 2019.

One of EPA's top priorities is to develop and implement innovative, sustainable, and market-based solutions to managing and financing water and wastewater

infrastructure. For the last four years, we have emphasized our "Four Pillars of Sustainability." They are: better management; full-cost pricing, efficient water use, and watershed approaches to protection.

The comprehensive strategy of our Sustainable Infrastructure Initiative includes developing with our utility partners better management practices and tools; ensuring customer rates for water use reflect the full cost of services that homes and businesses receive from our water systems; making sure that every dollar of investment in "hard infrastructure" is absolutely necessary by first establishing improved water efficiency practices and adopting "green infrastructure" and other solutions integrated into watersheds to minimize the flows that have to be transmitted and treated. This broad Initiative has been gaining significant traction and momentum across the country as wastewater utilities make the shift from managing for compliance to managing for sustainability. The integrity of our wastewater infrastructure over the long term is essential to retaining the gains that have been realized through the Clean Water Act.

We are spreading the ethic of water efficiency through our new WaterSense program by providing tools for citizens to make smart water choices. The WaterSense program encourages efficient use of the nation's water supply by featuring a label to easily find products and services that reduce water bills and maintain high environmental standards – all without compromising performance.

To date, this voluntary program has partnered with over 400 organizations and individuals committed to saving water for future needs.

In just a year and half, the WaterSense program has finalized specifications in two product areas - high-efficiency toilets and bathroom faucets. The WaterSense program already has 60 labeled toilets that use 20% less than standard models and could save the average homeowner $90 per year on water bills. If only 10 percent of American homes made the switch, we could save up to 89.7 billion gallons of water each year. Currently, most of the bathroom faucets in American homes flow at rates much higher than necessary. WaterSense labeled faucets use about 30% less water than standard faucets while maintaining water pressure. These faucets could save Americans 61 billion gallons of water annually not to mention the energy savings associated with the pumping, heating and treating of that water.

We will continue to build on this success through the three tools of collaboration, innovation, and technology.

New Partnerships and Tools

The water and wastewater infrastructure challenge isn't just an EPA challenge or a state and local challenge-- it's everyone's challenge. We are committed to working with our partners to help change the way America views and values

water and the infrastructure support systems. In May 2007, I signed a statement of support with six national associations to promote 10 key attributes which will help utilities manage for success and sustainability. The Bush Administration also proposed a new tool, Water Enterprise Bonds, to accelerate and increase investment in the nation's water infrastructure. These bonds will facilitate innovative public-private partnerships by communities seeking the financial and operational expertise of the private sector.

Watersheds

The heart and soul of the Clean Water Act, current and future, must be a holistic approach that looks at the entire watershed and all sources of pollution and that brings new partners and new tools to the problem-solving table. This is particularly true for the growing and complex field of wet weather flows (such as sewer overflows, stormwater, nonpoint runoff, and concentrated animal feeding operations). EPA just released new guidance on watershed permitting and water quality trading that will help permit writers, utilities, watershed organizations, and citizens accelerate restoration and protection. In Partnership with USDA, EPA is supporting development of a web-based tool that for the first time will allow farmers to themselves estimate the number of credits they can generate for sale as part of water quality trading. The testing ground for this new tool will be within the Chesapeake Bay watershed. EPA is also embracing and advancing, as never before, the "green infrastructure" movement to reduce problems with sewer

overflows and stormwater by mimicing natural processes and features such as vegetation, infiltration, evaporation, and water reuse. Wetlands contribute significantly to the greening of watersheds and improved ecosystem health.

The fear of Clean Water Act liability remains one of the main obstacles to Good Samaritans cleaning up abandoned hardrock mines that impair thousands of streams and watersheds in the West. While EPA believes that tough standards are appropriate for the mine operators that caused these problems, some flexibility is needed to protect Good Samaritans that come along later and want to clean them up, especially when the original polluter is long gone. EPA urges this Committee to pass targeted, bipartisan clean water legislation to protect Good Samaritans and set a shining example for cooperative conservation and environmental progress.

Monitoring

Under the Clean Water Act, most water quality monitoring responsibilities rest with the states. Using traditional monitoring approaches, in 2004 states assessed an estimated19% of the river and stream miles in the U.S., 37% of its lakes and reservoir acres, and 35% of its estuarine waters. The Monitoring Initiative, begun in FY05 has provided $18.5 million dollars annually through the CWA Section 106 grants for states and tribes, specifically to improve the comprehensiveness and consistency of water quality monitoring programs.

Under this Initiative, we have launched a series of statistically-based water quality surveys with our state and tribal partners. These surveys report on core indicators using standardized methods, and yield unbiased, sample-based estimates of water quality conditions for all the water resource types. To date, we have completed a survey of the nation's streams and three surveys of our estuarine and coastal waters. This summer we completed the sampling of the nation's lakes. We are committed to continuing and expanding these surveys to look at all water types – lakes, rivers, and wetlands – and repeating the surveys every five years. These surveys have begun to yield scientifically-defensible data that we and the states can use to better identify our most significant water quality problems, determine if water quality is improving, and gauge the impact of our national investment in protecting and restoring the nation's watersheds. These efforts are helping to fill our monitoring and data needs gaps.

Climate Change

One of today's priorities is climate change. In March 2007, the National Water Program established a Workgroup to assess emerging climate change information, evaluate potential impacts of climate change on water programs, and identify needed responses. The National Water Program is committed to working cooperatively with national partners, State and local government, and public and private stakeholders to understand the science, develop tools, and implement actions to address the impacts of climate change on water resources. We are putting considerable effort behind this to help prepare and respond to

possible challenges to our water resources and systems. We know it will be important to adapt to climate changes and revise various programs and activities.

Conclusion

Mr. Chairman, I look forward to accomplishing more of EPA's goals on wetlands protection, energy and water efficiency, and coastal hypoxia in the coming months. Taken together, all of these initiatives, innovative tools, and resources will help EPA and its partners continue to build on the gains in water quality that we have worked so hard for and enjoyed over the last 35 years. We will continue to work with this committee, our federal colleagues, and the many partners, stakeholders and citizens, who want to accelerate the pace and efficiency of water quality protection and restoration. This concludes my prepared remarks; I am happy to respond to any questions you may have.