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**BEFORE THE
SUBCOMMITTEE ON WATER RESOURCES AND ENVIRONMENT
COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE
UNITED STATES HOUSE OF REPRESENTATIVES**

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Good Morning Madam Chairwoman and Members of the Subcommittee. I am Michael Shapiro, Acting Assistant Administrator for the Office of Water at the United States Environmental Protection Agency (EPA). Thank you for this opportunity to speak about the President's Fiscal Year 2010 budget request for EPA's National Water Program. The request is for \$5.5 billion, or 53 percent of the Agency's budget. This increase of \$3 billion over FY 2009 will enable EPA, in collaboration with our state, local, and Tribal partners, to advance our mission of protecting human health and the environment, and specifically, to make America's waters clean, safe and secure.

EPA's Office of Water has made progress in protecting and improving water quality thanks to monitoring surface water, implementing water quality standards, issuing discharge permits, reducing diffuse or non-point sources of pollution, and constructing wastewater and drinking water treatment facilities; however, many challenges remain. The FY 2010 budget request will help EPA to: 1) maintain and restore waters across the country through State and Tribal Clean Water Act programs; 2) continue to improve the health of the country's

major coastal ecosystems; 3) increase the population served by systems providing water that complies with drinking water standards; and 4) complete funding to Water Security Initiative pilots.

Infrastructure Investment

The Clean Water State Revolving Fund (CWSRF) and Drinking Water State Revolving Fund (DWSRF) provide affordable loans to local communities to finance public wastewater systems and other water quality projects.

The FY 2010 President's budget request includes \$2.4 billion for the CWSRF and \$1.5 billion for the DWSRF. These critical infrastructure programs will preserve and create jobs, and fund approximately 1,000 clean water and 700 drinking water projects. They will also prioritize green infrastructure, water and energy efficiency, and environmentally innovative projects for state, local, and Tribal governments. This budget also includes significant increases for Tribes and United States Territories to address their unmet water quality needs. The budget fully funds the cooperative agreements for Water Security Initiative pilots which will provide a "proof of concept" for enhancing the security of drinking water infrastructure.

EPA will also work with State and local partners to develop a sustainability policy including management and pricing for future infrastructure funded through SRFs to encourage conservation and to provide adequate long-term funding for

future capital needs. The 2010 Budget also proposes to work with State and local governments to address Federal drinking water policy in order to provide equitable consideration of small system customers.

Large Aquatic Ecosystems (LAEs)

To improve Large Aquatic Ecosystems (LAEs), such as the Great Lakes, Chesapeake Bay, and Puget Sound, EPA implements Core Water Programs at the watershed level.

Great Lakes

The Great Lakes provide drinking water, food, recreation and transportation to about 25 million Americans. The FY 2010 President's budget request provides \$475 million for the Great Lakes Restoration Initiative, a coordinated multi-agency effort focused on critical challenges including: toxic substances, invasive species, near-shore health, nonpoint source pollution, habitat and wildlife protection, and restoration. EPA has worked closely with its Federal partners to target funding to the highest priority problems in the Great Lakes and to ensure there will be increased collaboration, accountability, and transparency.

Chesapeake Bay

The Chesapeake Bay Program (CBP), authorized by Section 117 of the Clean Water Act, is a collaborative regional partnership directing restoration of

the Bay since 1983. The \$35 million FY 2010 President's budget request will (1) foster implementation of the Chesapeake Action Plan; (2) advance efforts to reduce pollution (e.g. nitrogen, phosphorus, and sediments) from agriculture, development, wastewater, and air deposition; and (3) support EPA and the States' work to develop the nation's largest and most complex Total Maximum Daily Load (TMDL) for the entire Chesapeake Bay watershed. Additionally, the Chesapeake Bay Program will work closely with the rest of EPA and other Federal partners to implement the Chesapeake Bay Executive Order, which the President signed on May 12.

Puget Sound

The Puget Sound Program is focused on high priority restoration activities identified in the Washington State 2020 Action Agenda. The \$20 million FY 2010 President's budget request will upgrade shellfish bed classification for approximately 125 acres, implement local stormwater plans, improve monitoring, restore or protect 800 acres of wetlands, and reduce nutrients.

Conclusion

In conclusion, I would like to thank you Madam Chairwoman, and the Members of the Subcommittee, for this opportunity to discuss the President's FY 2010 budget request for EPA's National Water Program.

EPA's Office of Water takes the responsibility of protecting and improving the nation's waters very seriously: America's water is a public trust. The National

Water Program is committed to innovative solutions that protect and improve water quality, promote water efficiency and ensure environmentally sustainable water and wastewater infrastructure.

EPA looks forward to continuing our work with this Subcommittee and to accomplishing these important National Water Program goals.

I will be happy to respond to any questions you may have.