



EPA chief defends budget, CPP at Senate hearing

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EPA chief Gina McCarthy went before a Senate Appropriations subcommittee Wednesday to defend her agency's budget request - as well as controversial plans to reduce pollution from existing power plants and to define which U.S. waters can be regulated under the Clean Water Act.

EPA is requesting \$8.3 billion in discretionary funding for fiscal 2017 - a \$127 million bump from the 2016 enacted level, McCarthy told the panel. Almost 40 percent of that money (\$3.23 billion) would go directly to states and tribal partners as grants for air and water protection.

An additional \$235 million of the budget would support the White House's Climate Action Plan, McCarthy said, including the agency's Clean Power Plan (CPP), which would establish carbon pollution reduction standards for existing power plants.

“Although the Supreme Court has stayed the CPP rule, the stay does not preclude all continued work on the CPP and does not limit states that want to proceed with planning efforts or other actions to reduce greenhouse gas emissions from power plants,” she said in her opening statement.

In an exchange with subcommittee Chair Lisa Murkowski, R-Alaska, McCarthy made it clear that EPA would not take any actions to implement the CPP's standards while the rule is stayed.

However, she told Tom Udall, D-N.M., the panel's ranking member, that the proposed budget includes “about \$50.5 million to continue to work with states who voluntarily want to continue moving forward to develop their (emissions reduction) plans, as well as funding to support tools that the agency would develop for that purpose, including accounting systems.”

“States want to work together on this, they want to be prepared for when the court concludes its review of this (CPP) to be able to move forward quickly,” she added.

Sen. Roy Blunt, R-Mo., shared his concerns that the CPP would edge out rural electric co-ops in his state that provide most of the energy sold in lower income counties, and that produce energy mostly through burning coal.

McCarthy said that EPA was “working really closely with the Department of Agriculture” to provide subsidy and technical assistance to rural families and utilities. She also suggested that there would be an opportunity for rural utilities to team up with larger utilities, which have been eager to build out renewable energy projects in rural America, to offset any costs they might incur after CPP implementation.

Sen. Steve Daines, a Republican representing Montana, had his own piece to say.

He asserted, based on a “magic algorithm” from the Cato Institute, that the effect of the CPP on global temperatures was “virtually negligible” and criticized the EPA for not quantifying that impact.

“While we can't define the exact reductions that would be achieved by any one (CPP) action on the climate, there is absolutely no reason to. That's not the benefit we're trying to quantify here,” McCarthy said.

“By 2030, we're looking at upwards of \$45 billion every year in benefits. There are benefits from traditional pollution reductions and there are certainly going to be benefits - as Paris (talks on climate change) showed - in the U.S. providing domestic leadership that will underpin strong international efforts,” she added.

In an [EPA fact sheet](#), the agency lists “significant public health benefits” among the benefits from the CPP, especially for children and older Americans.

EPA's conduct surrounding its waters of the United States (WOTUS) rule was the subject of some discussion as well - mostly in the context of EPA's social media practices and an incident in which the agency inadvertently funded the [erection of a billboard](#) that placed blame on American farmers for polluted waterways.

On the WOTUS rule itself, McCarthy said her agency needed “to continue to work with agriculture to provide the certainty they're looking for.”

Sen. John Hoeven, R-N.D., encouraged her to “engage with the farm and ranch groups.”

“Sit them down and talk to them,” he said. “They want to be good stewards out there.”