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ONE HUNDRED NINTH CONGRESS

U.S. House of Representatives
Committee on Energy and Commerce
Washington, DC 20515-6115

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February 21, 2006

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The Honorable Stephen L. Johnson
Administrator
Environmental Protection Agency
1200 Pennsylvania Avenue, N.W.
Washington, D.C. 20460-0001

Dear Administrator Johnson:

On February 6, 2006, the President released the Administration's FY2007 Budget. Surprisingly, the President's budget request of \$89.1 million for Brownfields cleanup and assessment grants under Section 104(k) to local governments was \$31.4 million (or 26.2 percent) less than his comparable budget request for FY2006.

According to the U.S. Conference of Mayors and numerous organizations involved in local planning and development:

"These funds are used to assess and cleanup brownfields such as abandoned or under-utilized warehouses, inactive factories, gas stations, salvage yards, vacant lots, contaminated properties, and other eyesores that plague virtually every community. These properties cause blight to neighborhoods, inhibit economic development, pose risks to public health and the environment, and erode the tax base of most communities."

The President's budget documents for FY2007 contain glossy pictures highlighting the fact that a "Brownfields grant results in creation of affordable housing" and states that "EPA Brownfields grants support local revitalization efforts by funding environmental assessment, cleanup, and job training activities, so that properties can be used for business, green space or housing."

However, it appears that the President, following the lead of the Republican leadership in Congress, has abandoned the idea of a robust Brownfields program administered by the Environmental Protection Agency (EPA) that will bring jobs and economic revitalization to our

communities. The President and the Republican leadership talk a lot about this important program, but talk is empty without adequate funding.

When the President signed the Small Business Liability Relief and Brownfields Revitalization Act (P.L. 107-118) on January 11, 2002, at a press event in Conhohocken, Pennsylvania, he talked about “requesting that Congress double EPA’s Brownfields funding” and described the bill as “a good jobs creation bill” and one that will “arrest urban sprawl” by developing Brownfields. The law that the President signed and touted four years ago authorizes \$200 million a year in cleanup and assessment grants (under Section 104(k) of CERCLA) to local governments and others to aid in the cleanup and redevelopment of Brownfields sites. Rather than seeking full funding for this jobs creation program, the President’s FY2007 budget is a 26 percent reduction from his FY2006 budget request and is only 56 percent (\$89.1 million + \$22.8 million in administrative costs vs. \$200 million) of the actual amounts authorized by law.

There are real world results from these budget cuts. Over two-thirds of the approximate 700 grant applications in each of the past two years have gone unfunded. The Conference of Mayors and six other local development organizations have described the situation as follows:

“Still, EPA has been forced to turn away more than two-thirds of the applicants for Federal brownfields assessment and cleanup funding due to limited funds. Without these critical seed funds, thousands of sites will remain idle, blighting neighborhoods and undermining local revitalization.”

The Conference of Mayors has called the grants to localities and non-profit organizations as “the most important and effective component of EPA’s Brownfields program.”

We believe the Administration’s FY2007 budget request is shortsighted. The promise of this jobs creation and economic revitalization program is being crippled by the President’s budget request and the funding levels imposed by the Republican-led Congress.

We also recall the EPA press release issued on February 4, 2005 – three days before the President’s FY2006 budget request was released – under the heading of “Increase in Brownfields Funding Underscores President’s Commitment to Revitalization.” At the time, the Administration’s public relations effort was taking credit for asking for \$30 million more for Section 104(k) Brownfields grants than had been appropriated the previous year. The press release also made the bold claim that “the Brownfields program is a top environmental priority for the Administration.”

With the President’s reduced request of \$31 million in the FY2007 budget, it appears that we can safely assume that the Brownfields program is no longer “a top environmental priority for the Administration.” We suspect that communities all over the country will want to know why this jobs creation and economic revitalization program is no longer an Administration priority

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and whether previous public statements by the EPA were merely a cynical public relations exercise.

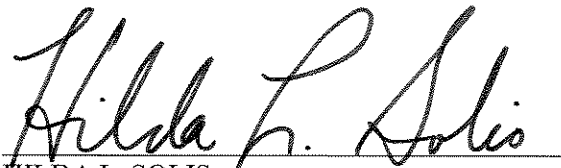
To assist us in better understanding the President's budget request for FY2007 and its consequences please provide responses to the questions contained in the attachment no later than Tuesday, March 7, 2006.

Thank you for your assistance in this matter. If you have any questions regarding this request, please have your staff contact Richard A. Frandsen, Senior Minority Counsel with the Committee, at (202) 225-3641.

Sincerely,



JOHN D. DINGELL
RANKING MEMBER
COMMITTEE ON ENERGY AND COMMERCE



HILDA L. SOLIS
RANKING MEMBER
SUBCOMMITTEE ON ENVIRONMENT AND
HAZARDOUS MATERIALS

cc: The Honorable Joe Barton, Chairman
Committee on Energy and Commerce

The Honorable Paul E. Gillmor, Chairman
Subcommittee on Environment and Hazardous Materials

Attachment

Questions for Administrator Stephen L. Johnson

1. What is the rationale for requesting \$31.4 million or 26.2 percent less than last year for the Brownfields grants program authorized by Section 104(k)?
2. Please provide the total number of Brownfields grant applications the EPA received in FY2005 under Section 104(k) and the number it actually funded.
3. Please provide a list identifying each applicant that applied for Section 104(k) grant but failed to receive funding in FY2005. Please provide the name, city and state of each applicant and the amount requested.
4. How many applications have been received for funding under Section 104(k) in FY2006? How many applications are requesting funding for multiple eligible projects? How many applications does the EPA expect to be able to fund in FY2006?
5. Is it correct that only \$75 million is actually available for grants for site assessment and cleanup?
6. Does the EPA administer any other program that creates more jobs or provides more opportunities for economic revitalization than the Brownfields program under Section 104(k)? If so, please identify any such programs.
7. The following is a chart containing the budget requests and the enacted levels over the past four fiscal years:

Brownfields
(Millions)
Section 104(k) grants to local government for assessment and cleanup

Budget Request		Enacted	
FY2004	\$120.5 plus \$29 million for administrative costs	FY2004	\$92.9 plus administrative costs
FY2005	\$120.5 plus \$30.2 million for administrative costs	FY2005	\$89.2 plus administrative costs
FY2006	\$120.5 plus administrative costs	FY2006	\$88.6 plus administrative costs of \$22.5
FY2007	\$89.1 plus administrative costs of \$22.8	FY2007	

Two examples of budget requests of the President in FY2006 that went unfunded or were dramatically underfunded by Congress are the EPA's Homeland Security Emergency Preparedness and Response program to develop agency-wide capability to respond to incidents of national significance from weapons of mass destruction (\$9.5 million) and the Water Sentinel program (33 million requested in FY2006 -- \$8 million actually funded). Yet the President renewed his full FY2006 budget requests for these programs in FY2007.

Why didn't the Administration follow the same approach for the Brownfields program?