

**Statement of Nancy H. Sutley  
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Before the Committee on Appropriations, Subcommittee on Interior, Environment, and  
Related Agencies  
United States House of Representatives  
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Thank you, Chairman Dicks. And thank you Ranking Member Simpson, and Members of the Subcommittee, for the opportunity to appear before you this morning to discuss the President's Environmental Agenda and how it is reflected in the Budget proposal.

The President's agenda puts creating jobs, transforming our economy and protecting the environment on the forefront of America's priorities. Since taking office just two months ago, the Administration has articulated a bold set of policy initiatives including: increasing fuel economy standards; taking a fresh look at California's request for a waiver under the Clean Air Act; initiating a review of last minute Endangered Species Act regulations from the previous Administration; and supporting the first steps of a legally-binding treaty to reduce mercury emissions worldwide.

Council on Environmental Quality's Role

The Council on Environmental Quality was established by Title II of the National Environmental Policy Act, NEPA. CEQ coordinates all federal, environmental efforts and works closely with agencies, departments and other White House offices to develop environmental policies and initiatives. As Chair, I serve as the President's environmental advisor, and in this capacity I develop policies, set priorities and coordinate efforts of the many agencies and departments.

Over the past two months, I have begun the effort to reinvigorate CEQ to pursue environmental policies that will help the nation respond to a changing environment under considerably challenging economic conditions.

As you know, the National Environmental Policy Act's purpose is to assure that, as we confront the challenges of harmonizing our economic, environmental, and social aspirations, we make transparent decisions based on the best available information.

In the American Recovery and Reinvestment Act of 2009, Congress reaffirmed NEPA's central role in public decision making by finding:

- 1) NEPA protects public health, safety and environmental quality by ensuring transparency, accountability, and public involvement in federal actions and in the use of public funds;
- 2) NEPA provides "direction" for the country to "regain a productive harmony between man and nature;" and
- 3) NEPA helps to provide an orderly process for considering federal actions and funding decisions and prevents litigation and delay.

It will take time and dedication to get CEQ back to playing the leadership role, provided for in NEPA, which it has played in the past. I look forward to a constructive relationship with the subcommittee as I lead CEQ in its efforts to tackle our shared environmental challenges.

As Chair of CEQ, in addition to focusing on an efficient and effective NEPA process and coordination among appropriate agencies, I plan to pursue the following four priority areas:

- 1) First, I plan to work with the White House Office of Science and Technology Policy help ensure that there is a strong scientific basis for our environmental policy;
- 2) Second, I will help move the nation toward greater reliance on clean energy, which will help put Americans back to work in good-paying jobs, increase our energy security, improve environmental quality, and combat climate change;
- 3) Third, I will work to protect the public health from environmental pollutants, with a particular emphasis on protecting those most vulnerable;
- 4) Fourth, and finally, I will direct CEQ to help conserve, and where needed, restore, our working landscapes and great ecosystems.

Some examples of priorities in this fourth area – resource conservation – include:

- 1) CEQ will help the federal government make progress toward conserving our ocean resources. This means working closely with our partners at the National Oceanic and Atmospheric Administration (NOAA) and facilitating regional, national, and international progress on issues related to habitat loss, overfishing, pollution, and the impacts of climate change on our oceans.
- 2) I also see CEQ identifying ways the federal government can be helpful in preserving working landscapes by ensuring more sustainable use of timberlands, agricultural lands, rangelands, urban parks, and other open spaces. These efforts will involve encouraging the development of sustainable solutions to persistent droughts in the southeast and western U.S. and facilitating action to address issues related to water, land use, and energy.
- 3) Finally, I expect CEQ to work with our Federal partners in making tangible progress on some of the nation's key ecosystem restoration efforts, including the Great Lakes and the Everglades, as well as other large estuary systems, such as the San Francisco Bay Delta, Louisiana Delta, Chesapeake Bay, and Puget Sound, which I know is important to the Chairman.

These are but a few examples of where we plan to go in the future. And, as we look to begin our work, we appreciate the investments in these areas – and others – that will be made by the American Recovery and Reinvestment Act of 2009.

#### Economic Recovery Jumpstarts Energy and Environmental Progress

The American Recovery and Reinvestment Act of 2009 is the single largest investment in clean energy and the environment we ever made. It includes \$4 billion for the Clean Water State Revolving Fund, which will help communities build and improve their wastewater treatment systems and other watershed management programs that improve water quality. Additionally, it includes \$2 billion for the Drinking Water State Revolving Fund, which will help communities

with needed upgrades in drinking water systems. These infrastructure investments will create jobs throughout the country and conserve both our water and energy resources.

The Recovery Act also includes \$4.5 billion for “greening” federal buildings, including to reduce their energy consumption; and \$6.3 billion for state and local efficiency and renewable energy efforts. Other highlights include \$2 billion to jumpstart a domestic automotive battery industry to accelerate commercial availability of plug-in hybrid electric vehicles, \$100 million for competitive grants to evaluate and clean up former industrial and commercial sites and \$300 million for grants and loans to help state and local governments, tribal agencies, and non-profit organizations with projects that reduce diesel emissions.

The Recovery Package also invests \$600 million in green job training programs – \$100 million to expand lineworker training programs and \$500 million for green workforce training.

An important aspect of CEQ’s role, related to the investments provided through the Recovery Act, is overseeing NEPA compliance for Federal projects funded by the Recovery Act. Congress mandated that adequate resources within the Recovery Act must be devoted to ensuring that applicable environmental reviews under NEPA are completed on an expeditious basis and the President report every 90 days on the status and progress of projects and activities funded by the Recovery Act with respect to compliance with NEPA. As Chair of the CEQ, I have already convened a meeting of each of the federal agencies that received funding under the Recovery Act to ensure that they understand NEPA requirements. CEQ staff has had several follow up meetings to discuss guidance to expedite the NEPA process. CEQ staff has also worked closely with individual departments to provide them with tailored programs to meet specific funding categories. I have also issued guidance for these agencies to use as they award project grants under the Recovery Act and we have made clear that CEQ is available to identify – and help address – questions regarding NEPA requirements and recovery funding.

#### Administration’s FY 2010 Budget Proposal

As we continue to confront the nation’s current economic challenges, President Obama has put an emphasis on finding and funding solutions that can both improve our economy and our environment, in the short- and in the long-term.

The President’s Budget proposal recognizes the fact that a strong, sustainable economy and a healthy environment go hand in hand. One of the most important things we can do is take action now to simultaneously transform our economy to one based on clean and reliable energy sources, create millions of new jobs, move the nation off of its dependence on oil and reduce the threat of climate change. By supporting innovation and developing and deploying technologies like wind power and solar power, advanced biofuels, carbon capture and storage, and more fuel-efficient cars and trucks, we can go a long way toward promoting a strong, sustainable economy and a healthy environment.

To spark this clean energy industry, we will make investments in the next three years that could double the nation’s renewable energy supply. We’ll put people to work modernizing buildings, weatherizing homes, updating the electric grid, and building and installing cutting-edge

renewable technologies in homes and businesses all across the country. And to make sure that we are sending a clear signal about investing in a clean energy future that reduces our dependence on oil, addresses the global climate crisis, and creates new American jobs that cannot be outsourced, the Administration is developing a comprehensive energy and climate change plan.

As the President has mentioned, after enactment of the Budget, the Administration will work quickly with key stakeholders and Congress to develop an economy-wide emissions reduction program to reduce greenhouse gas emissions approximately 14 percent below 2005 levels by 2020, and approximately 83 percent below 2005 levels by 2050. This program will be implemented through a cap-and-trade system, an approach that has a strong and well-tested track record. The President has indicated that he wants to see the revenues from the auctioning of pollution allowances returned to the people – especially vulnerable families, communities, and businesses – as well as to develop and deploy clean energy technologies that will create jobs and catalyze a clean energy sector in the United States. We can no longer wait while other nations make significant investments in creating this clean energy industry and the jobs that go with it.

Let me also highlight three other pieces of the Budget proposal that directly relate to the CEQ priorities I discussed earlier in my testimony.

- 1) The Administration budget for EPA includes \$475 million for a collaborative inter-agency effort to combat a number of problems affecting the Great Lakes, including invasive species and contaminated sediment. Unlike past Budgets that funded elements of Great Lakes restoration activities, this initiative will be guided by environmental performance goals and measures that will target resources and lead to improvements in water quality and ecosystem health.
- 2) The request for EPA also includes \$2.4 billion for the Clean Water State Revolving Fund and \$1.5 billion for the Drinking Water State Revolving Fund (SRFs). This historic investment in these programs will allow communities to make much needed improvements to their wastewater and drinking water systems, further protecting the environment and human health.
- 3) The Administration would like to see an increase in the Land and Water Conservation Fund, which supports the conservation of important landscapes. To do this, the Department of the Interior and Agriculture's budgets combined would provide approximately \$420 million for FY 2010.

Mr. Chairman, Ranking Member, and all members of the Subcommittee, I know that you are deeply interested in a number of programs that I may not have touched on in my brief testimony. As you know, the Administration will be releasing its detailed budget later this Spring and it is my hope that we can work together to see implementation of that detailed budget that will invest in America's energy and environmental priorities.

I appreciate the opportunity to testify this morning and look forward to answering your questions.