

## DAILY NEWS

### *News Analysis*

#### **States Caught Between Calls For Reform, EPA Cuts As Hill Weighs Budget**

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State environmental officials appear caught between competing pressures as debate heats up over EPA's fiscal year 2018 budget, seeing potential opportunities to bolster their say on implementation of environmental policies but warning that full-throated attacks on EPA -- including on the agency's funding to states -- could have dire consequences.

John Linc Stine, president of the Environmental Council of the States (ECOS), discussed the state concerns in a June 13 interview with *Inside EPA*, a conversation in which he cited opportunities presented by the Trump administration's deregulatory efforts for cost savings in environmental programs but also expressed concern that lawmakers could cut too deeply and outrun opportunities for a "full and complete conversation" on federal and state roles.

"Carefully measure your steps and be thoughtful about decisions that are made that will have longer-term consequences," Stine said, offering up a message he hopes appropriators weighing EPA's FY18 budget will take to heart.

His comments came just before the June 15 hearing in the House Appropriations interior subcommittee on EPA's FY18 budget that is providing lawmakers a forum to query Administrator Scott Pruitt on the implications of the budget proposal to slash EPA funding by 31 percent and eliminate scores of programs.

With even GOP appropriators raising questions about the level of the proposed cuts, a number of observers and lawmakers have called the Trump proposal "dead on arrival."

But Stine during the interview refused to adopt that frame, in remarks that seemed geared both toward not antagonizing the Trump team or lawmakers and girding his members for a battle to preserve state priorities. "I will never say it is not serious . . . or it is 'dead on arrival,'" Stine said. "That indicates that you are not aware of the other person's perspective," Stine said.

Stine then described states as caught between two imperatives -- acknowledging that there is "room for change and states are open to having that conversation with EPA" on realignment and reprioritization of environmental work -- but also facing the reality of budget drafting timelines that likely do not allow for a full discussion of the issues.

"It would really be nice to have the relationship sorted out and clarified before we have the budget conversation but . . . the timing is such that the federal budget has got to be decided before we are probably going to have a full and complete conversation about federal and state government roles and responsibilities," Stine said.

Stine's remarks echo in part a newly released [ECOS report](#) on "Cooperative Federalism 2.0," which calls for states and EPA to reshape their relationship during the Trump administration.

Since the budget was unveiled, some states have suggested cutting their own programs to make up for federal shortfalls or returning some delegated authorities to EPA.

In the face of such planned changes, ECOS' report seeks a more formal restatement of state-federal roles, promising that any recasting will result, for example, in "equal or greater environmental and public health protection and outcomes through smart deployment of resources on critical priorities," the group said.

### **Justify Cuts**

The report is already being cited by some on the Trump team to justify steep EPA cuts. For example, Susan Bodine, the administration's nominee to lead EPA enforcement, cited the ECOS report during her [June 13 confirmation hearing](#) in the Senate environment committee in response to concerns that a proposed 24 percent cut to enforcement poses a serious threat. She noted that the ECOS report calls for a "recalibration" of the federal-state relationship and said it could "lead to more effective environmental management at lower cost."

Stine did not address Bodine's comment specifically during the interview, but offered a more general response to the idea that the ECOS report will serve as a blanket justification for cuts.

"If you were to read only the part of the report that says we are open to making some adjustment, yes [it would]. But we are also saying there are critical relationship discussions that need to occur before we agree what the actual cost [of environmental safeguards] is."

Stine also said "one way you could read" the report is as a warning for the Hill to tread very carefully before making major cuts. "It would be one way you could read it."

For example, the ECOS report says, "We are convinced a recalibration of state and federal roles can lead to more effective environmental management at lower cost."

But the same report also includes a variety of language that cautions against massive EPA cuts. A section on state implementation of federal programs, for example, says EPA should have sufficient resources to meet its responsibilities and "financially support states in the implementation of federal statutes and programs. EPA should have sufficient resources to meet all obligations to states and to ensure timely review and decisions on program submittals by the states."

Other text in the report includes a call for EPA to "maintain a robust scientific research and data gathering capacity" to inform and establish national minimum standards; "understand how best to respond to complex environmental pollution challenges"; "respond to emerging pollutants" and "efficiently determine protective alternative remediation strategies and other solutions to facilitate production of human health and the environment."

## 'Take Some Time'

In the interview, Stine mostly steered clear of specifics on how a redefinition of state and federal roles should affect EPA's budget. "We really think that it is going to take some time to organize our perspective as states and work with the administrator and executives in his office to package up a series of possible solutions."

That message is more measured than [a new report](#) from a group of over 75 former senior EPA officials, organized as the Environmental Protection Network (EPN), that offers sharper, starker critiques of proposed EPA cuts -- even while flagging issues of concern to states.

EPN says the budget would "cripple permitting, implementation and enforcement." And it notes, "Categorical grants that support the core air, water and other programs are cut by 30 percent despite Administration assertions that states should play a larger role in implementing environmental laws . . . a host of other types of grants are eliminated entirely."

EPN says the result of the proposed cuts -- which actually equate to a 42 percent cut when accounting for a small proposed increase for two water infrastructure programs -- is "the smallest workforce" at the agency since 1982. Remaining staff would be tasked with administering seven major statutes, including implementation of significant 2016 revisions to the Toxic Substances Control Act.

Still, Stine defended EPA from a wholesale assault, lauding some "key functions" at EPA like water quality standards, laboratory and research work and emergency response, while also expressing openness to "some changes" on the permit and enforcement side to take into account the evolution of states' abilities in those areas over decades.

Stine also said states would be interested in more flexible "block grant" approaches to give states more latitude on how to use funding.

And if his message in defense of EPA's budget was more muted than EPN's, the broader message to appropriators still seemed to be that, when in doubt, don't cut.

Stine said that congressional adoption of the proposed Trump EPA budget for FY18 as being the "worst case scenario." By contrast, the best case scenario is "there wouldn't be a lot of significant change" in FY18 compared to FY17.

And a "pragmatic view" of the situation acknowledges that at least some cuts to state and tribal government resources are likely. --Doug Obey ([dobey@iwppnews.com](mailto:dobey@iwppnews.com))