

Confirmation Testimony
By
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Secretary
Department of Environmental Protection
Before the Senate Environmental Resources & Energy Committee
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Madam Chairman, Chairman Musto, and Members of the Committee:

It is an honor for me to appear before you as Governor Edward G. Rendell's nominee for Secretary of the Department of Environmental Protection for the Commonwealth of Pennsylvania.

When I appeared before you four years ago, I said that Pennsylvania's prosperity was my number one priority, and I promised you that I would work to make environmental protection an engine of economic growth here in the commonwealth.

I am happy to report to you today that with your leadership and assistance, we have made remarkable progress toward these goals, and I believe that we have only just begun to reap the benefits of our efforts over the past four years.

Governor Rendell announced on March 22 that February's statewide job count set a new record for the eighth straight month and that Pennsylvania has more jobs than ever before in our history. Economic growth continues at a record-setting pace, recording the largest one-month gain in the last 18 months. In just four years, Pennsylvania has grown from 48th in the nation to number one in the creation of manufacturing jobs. I am pleased to say that the Department of Environmental Protection has helped fuel and sustain this growth.

I would like to touch on some of the many remarkable accomplishments of the past four years, and identify priorities for the coming year.

I. ECONOMY AND ENVIRONMENTAL PROTECTION

A. Permitting Reforms

Time is money in business, and government that wastes time, squanders opportunities to create jobs and grow our economy. We've taken the knife to paperwork across the department and have substantially cut permit-processing time.

- 1. Brownfields Enhancements** – Building on the early success of the Commonwealth's Brownfields program, we gathered the experts and heard their ideas about how to make a good program even better. Defying predictions to the contrary, we succeeded in securing from the U.S. EPA an agreement that creates a "one stop shop" such that when DEP declares a site clean, federal standards are

simultaneously met. We are the only state to be offered this extraordinary deference by the EPA.

Recognizing that making a property clean is only the start of the process, we focused on getting properties redeveloped as quickly as possible. Launching the Brownfields Action Team, we've ensured that priority redevelopment projects proceed through permitting smoothly and quickly.

BAT projects typically get permitted in half the usual time, and in fact, nearly one-half (48 percent) of the 2,523 contaminated and abandoned industrial sites that have been cleaned up over the 11-year history of the Brownfields program has come in just the last four years under this administration's leadership.

2. **General Permits** - The statewide general permit process has been expanded to cut weeks and months from the time required for industry to gain approval for standard business practices
 - a. DEP created a new general permit to allow beneficial uses for clean, spent foundry sand, encouraging new markets, removing useable materials from the waste stream and cutting disposal costs for the industry.
 - b. The new Clean Fill Policy revised standards that environmental groups and contractors had said were inordinately complex for placement of materials in residential and industrial settings.
 - c. Recycled Asphalt Pavement (RAP) from roadway shoulders was reclassified from a waste to a coproduct, allowing businesses to more readily incorporate it into paving projects.
 - d. DEP finalized 15 separate Air Quality General Permits that cut permit approval times to 30 days by eliminating the need for individual permits for routine activities that use standard technology with minimal environmental impact. These permits enhance efficiency for feed mills, dry abrasive blasting operations, human or animal crematories and portable nonmetallic processing plants, provided these businesses follow strict performance standards.

3. **Construction Permits** - Pennsylvania is experiencing extraordinary growth in the number of National Pollution Discharge Elimination System permits related to construction projects. The number of NPDES permits issued by DEP doubled from 1,325 in 2002 to more than 2,661 last year --- a sign that our economy is thriving and investors see Pennsylvania as an attractive place to do business. The department has responded by increasing its rate of review by more than 50 percent, pooling staff and resources from every part of the state to continue prompt and effective reviews.

4. **Oil and Gas Permits** - DEP processed a record 7,292 drilling permits in 2006 – a 21 percent increase over 2005, and the fourth straight year of record permitting activity. The department simplified and streamlined applications for stormwater

discharge permits for new wells, allowing the department to devote more staff time to field inspections of new and existing oil and gas operations.

- 5. Stormwater Management** - Changes in federal law expanded requirements for stormwater management permits for new construction from five acres disturbed to one acre, and also required for the first time that post-construction stormwater management plans be developed and approved. The resulting increase in permit applications quickly created an administrative backlog, particularly in the northeast and other fast-growing areas of the state.

The department acted swiftly to address this challenge, deploying additional staff from across the state to assist in the highest growth areas of the state as an interim measure, and requesting six additional staff.

In addition, the department has finalized wide-ranging changes to the permitting program, simplifying the permit applications and creating a registry of engineering consultants who have received department training to complete accurate and thorough applications. The result of these changes is that the department will receive higher quality applications, and will finalize permit reviews in just 32 calendar days.

- 6. Smart Growth Permits** – DEP created a smart growth permit to speed up infrastructure improvements to bridges, highways, utility lines and other aging infrastructure in local communities. The initiative reduced the number of individual stream work permits by 22 percent and cut permit processing time from several months to just a few weeks.
- 7. Air Plan Approvals** - DEP further lightened the regulatory burden for industry by streamlining air plan approvals through an innovative pilot program that cut the median time to issue air permits from 157 days in 2002 to 119 days in 2005 – a reduction of 32 percent. We also have acted to extend the life of air plan approvals by proposing regulatory changes that enable extensions beyond the current 18-month time frame for commencement of construction.
- 8. Incidental Coal Extraction** – DEP amended surface coal mining regulations to exclude coal extraction on government-financed highway construction projects from mining regulations, thereby streamlining the review of such projects.
- 9. Nutrient and Sediment Trading** – DEP introduced a Nutrient and Sediment Trading program that has become a national model for other states. This program offers farmers, communities and industries an innovative market-based program to help them meet or exceed state and federal water quality goals for non-toxic pollutants.

B. Building a Clean Energy Powerhouse in Pennsylvania

All of you are aware of Governor Rendell's efforts to make Pennsylvania the 'Keystone' of America's new energy economy, and many of you on this committee have given vital support to this effort.

Indeed, passage by the legislature of the Alternative Energy Portfolio Standards Act of 2004 represents an historic moment, ensuring our Commonwealth is at the forefront of the next generation of energy technology as it has been through all previous chapters of American energy history.

Since our country's earliest days, Pennsylvania's coal and other natural resources fueled the industrial revolution and helped turn this country into a mighty industrial power. But as our dependence on foreign energy sources has grown, our national security has been compromised, leaving us perilously vulnerable to severe weather events and political upheavals in unstable parts of the world.

The purchase of natural gas and transportation fuels drains \$30 billion each year from our state economy. Governor Rendell has sought to stem the tide and keep some of those dollars at home by supporting indigenous energy resources and by investing in Pennsylvania businesses that are producing clean, renewable energy sources.

1. **Renewable Energy Leadership and Growth** – In 2003, when Governor Rendell took office, Pennsylvania's renewable energy program was in its fledgling stages. Today we are a world leader. As a result of investment partnerships forged between state and federal government and private industry, and a strategic shaping of our energy policy, we are building new businesses, creating new jobs, providing opportunities for our farmers and attracting billions of dollars in new investment.

We began with a modest grant program called Energy Harvest that channeled federal energy dollars and state funds to encourage development of clean energy from Pennsylvania's indigenous resources to ensure reliable, affordable and secure energy supplies.

The first year we awarded 32 grants worth \$5 million, which was leveraged with \$12.8 million in private investment. Among those early investments were \$2.5 million in grants to build five bio-digesters that helped farmers turn an environmental challenge – manure management – into clean energy and an opportunity for economic growth.

We awarded other smaller grants that first year to support energy efficiency measures and also invested in energy projects that will turn another environmental problem – waste coal – into clean energy

Over the past three years, the Energy Harvest Grant Program has awarded a total of \$21 million and leveraged another \$51.9 million in private funds to develop energy sources such as wind, solar, biomass, waste coal and recycled energy. We've

supported a variety of advanced coal technologies in addition to renewables with the objective of deploying the full array of our energy resources to boost our economy.

With the support and active participation of the General Assembly, the Governor also revived the Pennsylvania Energy Development Authority which had been dormant for many years and made it part of his strategy to build a diversified energy industry for the state that would enhance our energy security. Over the past three years, PEDA has awarded \$21 million in grants and loans to develop 57 large-scale clean energy projects that leveraged an additional \$240 million in private investment. The projects financed by PEDA will create 975 permanent and construction jobs.

As noted, in 2004 you enacted what was one of the most ambitious Alternative Energy Portfolio Standards in the country. AEPS ensures that by 2020, 18 percent of all energy generated in Pennsylvania will come from efficient and renewable sources.

Pennsylvania's alternative energy law provides strong incentives for clean and renewable energy. With your leadership, Pennsylvania was the first restructured state to include demand-side management measures, or "negawatts," as a means to achieve portfolio standard compliance. This better ensures that approximately 5,000 megawatts of new electricity generation that comes on line over the next 15 years will be from resources indigenous to Pennsylvania, thereby reducing our demand for natural gas in the electricity sector while improving the quality of our environment.

By mandating the use of alternative energy sources, we have given business, and Wall Street, the confidence to invest in clean energy development in our state.

The results have been impressive. In the past four years, our efforts have attracted some of the world's largest renewable energy companies to Pennsylvania including international wind energy giants Gamesa and Iberdrola, BioEnergy (in partnership with Russian oil giant Lukoil), and the world's largest solar energy project integrator, German-based Conergy AG.

Gamesa alone is investing more than \$100 million in our economy and will create as many as 1,000 new jobs over five years. BioEnergy's plant represents a \$250 million investment in Clearfield County. Conergy brings 50 engineering and management jobs to Chester County and up to \$100 million in clean energy deals over the next three years.

In the coming months we expect to announce that a Canadian advanced battery manufacturer and one of the world's largest renewable energy electricity producers will be locating facilities and business enterprises in Pennsylvania.

Long-term benefits to Pennsylvania include \$10 billion in increased output for the commonwealth, \$3 billion in additional earnings and as many as 4,000 new jobs for residents over the next 20 years.

2. The Energy Independence Strategy –

The Energy Independence Strategy is an essential proposal to invest \$850 million to cut consumer energy costs by \$10 billion over the next 10 years, stabilize electricity rates for businesses, and significantly expand Pennsylvania's alternative fuel and clean energy industries to cut our reliance on imported fuels.

To bring economic stability to the alternative fuels sector in Pennsylvania and attract private investment dollars, the Energy Independence Strategy will codify the "PennSecurity Fuels Initiative" and require that we use one billion gallons of domestically-produced clean and renewable fuels. One billion gallons of biofuel represents about 12.5 percent of all fuel consumption in the state, and by 2017, would equal approximately the amount of fuel Pennsylvanians buy annually from the Persian Gulf. Instead of sending billions of dollars overseas each year, more of these funds will be spent purchasing fuel from Pennsylvania's companies and farmers.

We have made investing in farmland and open space preservation a priority, and Pennsylvania now has the biggest program in the country. But even with this effort, we still lose three acres of farmland for every acre we save. If we give our farmers a chance to grow our energy, we can turn that around and help our farming families while we bolster our energy security.

In the coming years, rate caps will be expiring across the state, and consumers will be faced with soaring electricity costs if we do not act now. After rate caps expired in neighboring states such as Delaware and Maryland, and in the UGI and Pike County service territories in Pennsylvania, consumers were faced with overnight electricity price increases of up to 70 percent.

Governor Rendell's plan empowers consumers to be smart about energy costs and to act to reduce electricity bills. The strategy also supports consumers with grants and rebates to replace outdated appliances and better take advantage of solar energy.

For our manufacturers and large-scale industrial enterprises, the Governor's plan lends stability and predictability. Specifically, the Governor would enable businesses to lock in electricity rates through long-term 'at cost' contracts with electricity suppliers. This stability is vital to the competitiveness of energy-intensive enterprises. Without the Governor's plan, the state stands to lose companies just as ALCOA closed shop in Maryland after the rate caps expired there.

Conservation is also vital to cutting costs. Investments in efficiency cost a fraction

of the cost of new power plants and transmission lines, and bring the extra benefit of boosting the efficiency of Pennsylvania enterprises. Accordingly, the Governor's plan places top priority on conservation.

- 3. Abandoned Mine Reclamation** – Pennsylvania has the largest abandoned mine lands problem in the country, with one-third of the nation's mine fires, and more than 180,000 acres of unmarked shafts, unstable cliffs, water-filled pits, and abandoned equipment and buildings left over from when mining was largely unregulated prior to 1977. In addition, more than 5,000 miles of rivers and streams are polluted or degraded from thousands of acidic discharges and seeps.

Congress has presented us with an historic opportunity, extending the Abandoned Mine Lands Fund for another 15 years and pledging over \$1 billion to address the most dangerous sites. My staff and I already have begun meeting with members of the legislature to organize a series of meetings across the state to give local officials, business and economic development groups, watershed organizations and others the opportunity to help us develop a comprehensive plan to address the most dangerous sites and help our former mining communities turn these scars into opportunities for new economic growth and improved quality of life.

We have not been waiting for congress to fix this problem for us. Through the Growing Greener program, the commonwealth has dedicated substantial sums to mineland reclamation. Building on this effort, I have endeavored to develop new and creative uses of mine water and mine lands.

In the Anthracite region, for example, the Bureau of Abandoned Mine Reclamation is involved in a cooperative effort with the Wilkes-Barre Industrial Development Authority and Mericle Properties Inc. to turn hundreds of acres of dangerous abandoned mine wastelands into prime commercial real estate along Interstate 81.

In Schuylkill County, a Growing Greener grant is helping private industry turn the one-million-gallon-per-day Green Mountain Tunnel mine discharge into fresh water that will allow the nearby Humboldt Industrial Park to expand, creating up to 4,800 new jobs and removing one more pollution source from the upper Schuylkill River.

In western Pennsylvania, Growing Greener is helping Saint Vincent College test the use of iron oxide sludge from mine drainage for use as a low-cost medium for removing phosphorous from municipal wastewater.

The Loyalhanna Watershed Association is using Growing Greener funding to direct the mine drainage flow that presently pollutes Saxman Run to generate electricity to power two mine drainage treatment systems and provide excess power to the Latrobe sewage treatment plant.

The nation's first plant to turn waste coal to no-sulfur diesel fuel is proposed to be built near Pottsville thanks to Governor Rendell's innovative plan to assemble a coalition of government and industrial customers to purchase nearly all of the plant's fuel at below-market prices. And in mine lands across the state, waste coal power plants, including a new state-of-the-art facility in Indiana County, and three additional plants to be built in Greene, Washington and Clearfield Counties, are chipping away at our 2.4 billion tons of waste coal, producing electricity and reclaiming our streams and mine lands.

4. **Air Quality** - With the assistance and cooperation of the General Assembly, we have enacted significant clean air regulations that eliminate environmental problems that hinder business development in Pennsylvania, and protect the health and safety of our residents.

By acting decisively to cut mercury emissions from power plants and requiring that cars sold in Pennsylvania achieve the best environmental performance standards, we have strengthened our economy by boosting Pennsylvania's bituminous coal industry, and easing the burden on utilities and factories to meet tougher air standards.

II. PUBLIC HEALTH AND SAFETY

The health and safety of Pennsylvania's 12 million residents remains the department's top priority. DEP works closely with local governments, private industry and federal agencies to regulate nearly 10,000 public water supplies and 7,000 wastewater treatment facilities; monitor and protect water quality in more than 83,000 miles of rivers and streams; inspect 3,000 dams and more than 200 flood control projects; permit and inspect over 1,600 mines and quarries; oversee the safe transport and disposal of 24.5 million tons of waste each year and the operation of 47 municipal waste landfills; ensure the safety and reliability of our nuclear power plants and other electrical generation facilities; and respond quickly to natural and manmade emergencies.

- A. **Mine Safety** - Pennsylvania's coal mining industry has been a cornerstone of our economy for 250 years, and we currently rank fourth in coal production in the United States with four of the six highest producing underground mines in the country. However, the tragic events in West Virginia and Kentucky last year brought home the dangers that miners face every day.

We all want our mining industry to be successful, but the safety of the miners and the well-being of their families can not be compromised.

DEP has enacted all of the administrative recommendations made following the Quecreek mine accident including requiring enhanced exploratory drilling in advance of underground mining, and devoting staff and resources to compiling and digitizing thousands of historic underground mine maps. The Bureau of Mine

Safety is also working with our mining companies and the U.S. Mine Safety and Health Administration (MSHA) to help implement new federal rules adopted following the Sago mine disaster in West Virginia. Governor Rendell's budget for the coming year includes a request for \$678,000 to fund a new mine rescue station to serve the northern bituminous coalfields in response to a new federal rule that shortens the response time for mine rescue teams from two hours to one.

In 2006, there were no underground mining fatalities reported in our bituminous coal fields for only the fourth time since records first were kept in 1870. Pennsylvania's lone underground mining fatality occurred at the R&D mine in Schuylkill County's anthracite fields, and a thorough investigation by DEP's Bureau of Mine Safety uncovered a pattern of unsafe mining practices that resulted in the closure of the mine and the de-certification of the mine officials involved in the incident – some of the strongest actions ever taken against a mine operator in Pennsylvania.

Over the past year, I have personally met with many of you to discuss new legislation unveiled by Governor Rendell to update our bituminous mine safety law that has not been significantly altered since it was enacted in 1961. This legislation removes outdated statutes and incorporates all the remaining recommendations made following the Quecreek mine accident that required legislative action to be implemented.

Nearly 100 years ago, December 1907 capped the deadliest year in Pennsylvania's, and America's, mining history when an underground explosion in the Darr Mine in Westmoreland County took the lives of 239 miners – the worst mining disaster in state history. As we near this solemn milestone, I am encouraged by recent efforts to move toward passage of a mine safety law that will keep our mines the safest in the world.

- B. Stay Out and Stay Alive** – Twenty-nine people have died while trespassing in mines and quarries in 19 different counties in the commonwealth since January 2000. Two of those deaths happened in 2006. In fact, more people are killed each year while trespassing in mines and quarries than from accidents at all active mining operations in Pennsylvania.

DEP has partnered with MSHA, other state agencies and the active mining industry to promote the “Stay Out – Stay Alive” campaign to educate the public, particularly young people, about the dangers of these sites, and over the past four years, the department has taken a more active role beyond education and presentations to community groups:

Mining program staff has been identifying dangerous sites and meeting with property owners to restrict access and develop better communication with local and county emergency responders and police.

A statistical review revealed that nearly all fatalities in abandoned mines over the past ten years involved young men ages 18 to 45, and we began airing public service announcements targeted at that age group.

DEP is partnering with the Fish and Boat Commission, the Game Commission and DCNR to include Stay Out-Stay Alive information with ATV and Snowmobile registrations and in publications distributed to people involved in outdoor recreation.

In addition, DEP's Bureau of Abandoned Mine Reclamation has, when possible, targeted for reclamation mine sites where fatalities have occurred, including most recently a \$306,000 project to backfill and reclaim an abandoned stripping pit on Spring Mountain in Carbon County where a young man drowned while trespassing in 2003.

- C. Dam Safety** - In my initial meetings with department staff four years ago, it was brought to my attention that nearly one-third of the high-hazard dams in our state did not have complete or current Emergency Action Plans as required under our law. This blueprint for action in the event of structural problems brought on by age, neglect, terrorism or severe flooding can mean the difference between life and death in downstream communities, and a disturbing number of dam owners were simply ignoring their requirements to protect lives and property in a state that is known for damaging and deadly floods.

In June 2004, Governor Rendell announced a dam safety initiative, issuing Notices of Violation to 256 dam owners who did not have current Emergency Action Plans on file with PEMA, and began working with these owners and their engineers to bring these structures into compliance. During the severe flooding last summer, Emergency Action Plans were activated at several dams, and local and county emergency responders underscored how these plans allowed for smooth and orderly communication during a stressful time.

Of the 276 dams targeted by this initiative, 70 plans have now been completed and approved by DEP and PEMA, 145 plans are in the development and approval process, 11 dams have been reclassified as non-high hazard, and 23 dams have been or will be breached and removed. New owners have been identified for several dams, and all have begun the process of creating new emergency action plans. Unfortunately, a small group of 34 dam owners has submitted no substantive response to the department and will be subject to further legal action through the courts.

The Governor also called on the president and congress to fund a national inventory of dams, which had not been done since the 1970s, improve security measures and create a funding mechanism for long-overdue repairs to this critical infrastructure.

In recognition for his leadership on dam safety, the Association of State Dam Safety Engineers gave Governor Rendell their 2004 National Award of Merit, the organization's highest honor.

D. Hazardous Sites Cleanup Act - DEP scientists and environmental staff respond promptly to concerns of air, soil and groundwater contamination when toxic chemicals or hazardous substances are spilled or leaked, or otherwise found in the environment as a result of old fuel tanks or improperly stored or buried wastes.

In some cases the people who created these problems were operating within the law at the time the contamination was created or there are no longer responsible parties to be held accountable.

In recent instances where a responsible party could be identified – a Norfolk-Southern derailment in McKean County that wiped out aquatic life in nearly 11 miles of Sinnemahoning Portage Creek; a 30,000 gallon crude oil spill from a single-hulled tanker in the Delaware River in Philadelphia; a 100 million gallon fly ash spill into the Delaware River from a collapsed settling basin at the PPL Martins Creek power plant – the polluters are being held accountable for their actions through fines and penalties.

The Hazardous Sites Cleanup Fund remains the Department of Environmental Protection's most important tool to respond immediately to these threats and protect public health and safety. In just the past few weeks, the department has been involved in well-publicized investigations of possible environmental contamination in Selinsgrove, Muhlenberg and Collegetown.

In addition to environmental cleanups, the fund supports programs and initiatives essential to revitalizing communities and keeping residents safe, and provides the state share to leverage critical federal dollars for other environmental programs.

Key program support includes:

- Financing cleanup projects at abandoned industrial facilities and contaminated sites where the responsible party is either unknown or financially unable to conduct the necessary work.
- Providing the commonwealth's 25 percent match for the Resource Conservation and Recovery Act, the federal hazardous waste program, and the state's 10 percent for the Comprehensive Environmental Response Compensation Liability Act, commonly called Superfund.
- Supporting land recycling and brownfield redevelopment efforts by leveraging federal funds that can be used for site assessments and remediation.
- Financing the investigation of illegal hazardous waste disposals and methamphetamine labs, and providing relocation expenses for residents and businesses affected by the release of hazardous substances.

- Funding the department's Household Hazardous Waste Program, including electronics recycling and mercury diversion to prevent hazardous chemicals from entering state landfills.
- Providing up to \$2 million per year for cleanup of hazardous materials following flooding.
- Maintaining a statewide emergency response network that enables the department to provide interim cleanup actions to remove contaminants and stabilize serious environmental releases including: drum removal; responses to tire pile fires; highway accidents with chemical spills; and the evacuation of residents, if needed.

As you are aware, the Hazardous Sites Cleanup Fund has been without a dedicated funding source since 2002, and a one-time allocation of \$50 million from the Environmental Stewardship Fund as provided for in the Growing Greener II legislation will soon be depleted. In 2003, at Governor Rendell's direction, I initiated the following actions to reduce expenditures and extend the life of the fund to allow time to develop a new funding source:

- Stop transfers from HSCA to support the Growing Greener program and DCED's Industrial Sites Cleanup Fund and Industrial Site Assessment Fund.
- Reduce general operating costs by \$4 million per year by freezing staff positions supported by the Hazardous Sites Cleanup Fund and filling only vacancies that are critical to ongoing operations.
- Reduce by 24 percent the number of positions supported by HSCA, from 327 in 1992 to 285 today with 34 vacancies.
- Halt all non-essential HSCA contract work, authorizing only operation and maintenance activities at remediated sites, obligations the state must fulfill as part of the federal Superfund program, and temporary water supplies for residents with contaminated drinking water.

Governor Rendell's budget contains a proposal to enact a \$2.25 per ton tipping fee on municipal waste landfilled in Pennsylvania to ensure the long-term health of the fund by generating more than \$37 million in 2007-08 and \$50.2 million in following years.

Last fall, I participated in hearings conducted by this committee that focused on this impending funding crisis, and am encouraged by the shared sense of priority in restoring funding to this important program.

E. Flood Response and Mitigation - Pennsylvania is one of the most flood-prone states in the nation. Abundant waterways, steep topography and historic development along rivers and streams and in low-lying areas put a large percentage of the population in areas where flooding can occur.

We have experienced several devastating floods over the past four years as a series of hurricanes have dumped record rainfall totals on all areas of the state. The

Department of Environmental Protection has been an integral piece of Pennsylvania's comprehensive multi-agency flood response efforts before, during and after flooding events.

The Dam Safety and Flood Protection programs work with counties and municipalities to monitor and when necessary, draw down or breach dams with diminished spillway capacity or structural stability concerns, and review emergency response and evacuation procedures with local officials when major storms are forecast. Once waters recede, dam safety engineers perform in-depth inspections of this critical infrastructure.

Regional staff helps communities manage environmental risks, clean up contamination left behind by floodwaters, and quickly permit emergency stream bank repairs. The department's flood protection program provides funding for non-routine maintenance and emergency repairs for locally-managed flood control projects.

As the costs associated with flooding continue dramatically to rise, the department has begun to put more focus on flood mitigation, taking steps to control stormwater runoff and lessen the potential for flooding upstream from the damage center.

Following the floods of June 2006, Pennsylvania took the lead, bringing together the governors of the Delaware River states to take immediate steps to control flooding along the river, and to begin planning long-term solutions that focus on lessening the potential for flooding in the entire river basin.

Governor Rendell's budget for DEP proposes \$2.5 million in increased spending for flood protection and mitigation in response to the series of devastating floods that have affected all areas of Pennsylvania over the past three years. The Governor's proposal includes three essential components:

- \$1.2 million to assist local communities with repairing damage caused by the flooding of last June;
- \$1 million for local stormwater planning and flood prevention;
- \$300,000 to establish a new executive position to coordinate flood mitigation activities between state agencies. Among the critical responsibilities will be development of risk profiles that include locations of unsafe dams, at-risk levees, bridges and other critical infrastructure, and ensuring that state funds are allocated for the fullest benefit.

F. Litter and Illegal Dumping - The department has actively and aggressively stepped up the fight against litter and illegal dumping. The COALS program is galvanizing community support to clean up illegal dumps in abandoned mine lands throughout the Anthracite region, and with support and cooperation from DEP and other agencies, we are catching dumpers in the act and issuing hefty fines to those who use our woods as dumping grounds.

Pennsylvania now has an official state affiliation with Keep America Beautiful, and our Great Pennsylvania Cleanup initiative is entering its fourth year. This statewide cleanup each year draws thousands of enthusiastic community, school and outdoor recreation groups, and is generating a renewed sense of community pride. Last year alone over 130,000 citizens pitched in to pick up illegally dumped trash, and communities across the state are cleaner and safer because of this wonderful new effort.

III. BELT TIGHTENING AND BETTER FISCAL CONTROL

Facing a more than \$2 billion budget deficit when he came into office, one of Governor Rendell's first priorities was to eliminate wasteful spending abuses and make our state agencies operate more like the businesses they regulate. In my first months in office, I cancelled over \$25 million in advertising contracts and put an end to purchases of trinkets and gifts. We cut out full-color printing and promotional brochures, and started letting our actions do the talking.

I eliminated printing and mailing costs by directing my staff to begin using e-mail and Web site technology to give the public immediate access to fact sheets, information on department actions and environmental news.

As we've integrated new computer technologies into our methods of gathering and distributing information, and we've also changed the way we manage this new technology, converting 19 contracted information technology positions to staff positions, saving the commonwealth \$2.7 million annually. Over the past four years we have eliminated other outside data-management contracts, and our information technology expenses continue to be closely monitored and eliminated where possible.

Staff attendance at conferences, workshops and out-of-state meetings has substantially been cut back.

When it comes to cutting pollution and promoting fuel efficiency, we've put our money where our mouth is and cut 96 SUVs from the agency's vehicle fleet and are replacing our gas-guzzlers with hybrid and alternative fuel vehicles. These cuts saved \$1 million last year and reduced the department's transportation costs by 20 percent. In addition, we eliminated over 100 parking leases, resulting in annual savings of \$129,000.

But these cuts have extended beyond luxury and wasteful items, and often involve difficult and painful choices. Whole programs have been ended, and we will eliminate 35 vacant positions this year, bringing the total number of eliminated vacant positions at the department to 83 over the past four years.

The Department of Environmental Protection has a proud history of engaging our young people in environmental service by offering internships to college students. Unfortunately we have been compelled to reduce the use of paid interns by 36 percent.

We've also cut overtime costs by 50 percent, which saved the department nearly \$500,000 in the past fiscal year, but also restricts our ability to be available to the public outside the normal business day.

IV. LOOKING FORWARD

This year, as the previous four, promises to be quite busy. As outlined in the preceding pages, my priorities will include helping to bring the Governor's Energy Independence Strategy to fruition, working to shape a climate change strategy for the state as the Governor has directed, and working with the General Assembly to restore HSCA.

First and foremost for me, however, will be to join with you in our shared mission to serve the people of Pennsylvania and to continue to grow our state in a clean and vital way.

Madame Chairman, Chairman Musto, Members of the Committee: I thank you for your attention, and look forward to your thoughts and questions.

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