

Testimony of Chris Korleski
Director, Ohio EPA
before the
House Finance Subcommittee for Agriculture and Development

April 10, 2007

Mr. Chairman, Representative Yates, and members of this subcommittee, I am Chris Korleski, Director of the Ohio Environmental Protection Agency. I am pleased to be here today and I thank you for the opportunity to testify before you on Governor Strickland's budget proposal for Ohio EPA for fiscal years 2008-2009.

I am honored and privileged to stand before you representing Ohio EPA and the 1250 employees who, through their dedication and hard work, protect, maintain, and restore Ohio's environment and strive to protect the health and quality of life of Ohio's 11 million citizens.

As a newcomer to this position, I look with pride at all the environmental improvements Ohio EPA has already achieved in its history, and I consider with some concern the work and challenges that lie ahead. But I also consider the possibilities that may be realized by our children and grandchildren, things like cleaner air to breathe, cleaner water to swim and fish in, and a landscape uncorrupted by chemical releases in which to play, live and work.

At the same time, I also consider the absolute need Ohio has to ensure that our citizens, both present and future, see Ohio become a more prosperous state than it is today, where they will not only enjoy a good environment in which to play, but also a good environment in which to work:

- An environment where good jobs can be found and kept;
- An environment where green technologies give rise to skilled manufacturing and employment opportunities and also promote a cleaner environment;
- An environment in which our young people will want to stay and raise their own families.

Obviously, finding such a balance is not easy, but it is imperative, and today, I would like to share with you how I hope to begin to achieve that balance over the next two years, relying on an extremely lean budget.

To begin, our proposed operating budget for FY 2008 is \$202,554,045 which represents a 0.3% **decrease** when compared to our estimated expenditures for FY 2007. The proposed operating budget for FY 2009 is \$207,689,173 which represents a 2.5% increase when compared to our estimated expenditures for FY 2007. This budget request is clearly very lean, and, importantly, reflects no statutory changes to increase the amount of our charged fees or increases in staff. Indeed, over the next biennium we will reduce our staff by 32 full time equivalents while continuing to work as efficiently as possible. I emphasize that Ohio EPA has not, since FY 2006, received any GRF funding, but instead relies on the statewide Environmental Protection Fee, various other fees, and federal grants.

Notwithstanding this lean budget, in the upcoming biennium and beyond, Ohio EPA must address issues such as:

- non-attainment for ozone and particulate matter and its negative impacts on both public health and business vitality;
- deteriorating waste water treatment systems in our cities, both large and small, and the lack of sufficient and available funds to pay for necessary improvements;
- the impact on water quality in our rivers, lakes, and streams caused by “non-point” sources of pollution, and the need to find better ways to address this issue;
- the confusion over Clean Water Act “jurisdictional issues” when it comes to wetlands, smaller streams, and ditches;
- the need to continue to improve the efficiency of the permit issuance process;
- the need to provide a degree of certainty and consistency to new and existing businesses in the state as to what their environmental obligations are;
- Ohio’s continuing ranking as a national “leader” in the emission and discharge of toxic air pollutants, as evidenced by the latest Toxic Release Inventory report; and
- determining Ohio’s appropriate roles and responsibilities with regards to climate change.

These challenges are daunting. However, looking back at some of Ohio EPA’s recent accomplishments, I am confident we can successfully address what lies before us. Over the last biennium, for example, Ohio EPA funded the Sawyer-Ludwig Park cleanup in Marion, in which we removed and disposed of 3,000 tons of contaminated soil, 11,000 tons of contaminated sediment and 43,500 gallons of contaminated water. The agency also contributed \$1 million to the continuing clean up of 23,000 cubic yards of contaminated sediments in the Little Scioto River.

Very recently, we received controlling board approval to work with the Army Corps of Engineers to stabilize the crumbling riverbank of the Licking River in Newark (caused by the erosion of aluminum wastes). And, nearly completed is the cleanup of 14 million tires and fire residuals at the Kirby scrap tire site.

The Office of Environmental Education awards grants to pre-school, K-12, university students and teachers, the general public, and the regulated community. Two years ago, we began to provide grants to Ohio school districts to retrofit diesel school buses with pollution control equipment. The program focuses on reducing children's exposure to diesel exhaust by reducing the amount of air pollution created by diesel school buses. In 2006, this program retrofitted 293 school buses and eliminated more than 4 tons of air pollution in Ohio.

While I am very proud of these past accomplishments, I look forward to the **next** biennium and the tasks already underway in support of our mission as Ohio EPA.

As noted above, I believe that environmental protection and economic development go hand-in-hand, and we continue to work on the timely processing of permits for Ohio businesses. We intend to combine the permit-to-install and permit-to-operate into a single permit for businesses with smaller sources of air emissions; a common sense approach to permitting that will eliminate redundancy. We have proposed language in this budget that extends from five to ten years the review cycle for air permits-to-operate. We are also working to develop and implement an emissions reduction trading program, which is an effective market-based approach that will help us reduce air pollution and support industrial growth in areas of Ohio which have not yet attained national air quality standards.

To become even more lean and competitive, we are investing in information technology, including web-based permitting and reporting systems. We also understand that in order to spur entrepreneurship and enterprise expansion we must continue our focus on compliance assistance. Ohio EPA's Office of Compliance Assistance and Pollution Prevention (OCAPP) provides a variety of free services to small businesses to help them with regulations and find ways to reduce pollution. With a statewide presence, OCAPP staff provide direct assistance to small businesses and even "go to the spot" to help business owners complete necessary permit applications. Our newly developed on-line Permit Wizard is a tool to help small businesses identify what permits they need. In addition, OCAPP staff help maintain our on-line *Answer Place*, a resource for small businesses to get quick answers to their questions about Ohio EPA or our regulations. I would also like to highlight Ohio EPA's annual compliance assistance conference, which has been held for the past three years. Attendees, 750 in total, included businesses of all sizes, government and municipal officials and environmental consultants. OCAPP also sponsors regional compliance workshops for small businesses via our district offices.

During the next budget we will continue to assist in the revitalization of Ohio's cities and towns by assisting communities in their efforts to restore blighted and contaminated properties known as "brownfields". This will help revitalize Ohio's cities and towns by facilitating the redevelopment of abandoned, idled, or under-used industrial and commercial facilities that are contaminated. Ohio EPA provides regulatory processes and cleanup standards by which volunteers can cleanup brownfield sites, and also provides free technical assistance and assessments.

Ohio EPA will continue to help our struggling municipalities by offering low interest loans for both waste water and drinking water treatment plants and infrastructure. By way of reference, Ohio EPA, working through the Ohio Water Development Authority, expects to provide \$589 million in low interest loans for wastewater treatment infrastructure improvements and \$180 million in loans for drinking water treatment system improvements over the current biennium. We expect to provide \$500 million and \$175 million, respectively, in the upcoming biennium. As I mentioned earlier, the deteriorating conditions of our waste water treatment plants is of great concern to me, and it is a problem we will not be able to solve on our own. I am committed to working with our congressional members on this issue, and will be exploring any and all options which will help us address this issue.

Ohio EPA has made significant progress in developing attainment plans for ozone which must be submitted to USEPA this June. I understand that my predecessor, two years ago, outlined the potentially draconian measures that were thought to be needed for northeast Ohio to come close to achieving attainment of the 8-hour ozone standard. Fortunately, over the last two years, Ohio EPA has been working closely with USEPA and other states to evaluate control measures and opportunities for flexibility that will help us avoid some of those drastic measures. Nevertheless, Ohio is mandated by the federal Clean Air Act to continue to operate the emissions testing program (E-check) in the Cleveland area because of its continued moderate non-attainment status. Until the area meets attainment, this mandate remains in place. My goal is to submit a responsible plan to USEPA that will demonstrate to them how we will achieve that attainment status, but for now E-Check in addition to a number of other control measures, must be included.

As we look toward the future we also recognize the need to focus on advanced energy technologies like ethanol and bio-diesel, and liquid and gaseous fuels from coal. Ohio EPA is supporting the work of the Governor's Energy Advisor through this budget, by lending our expertise in developing a comprehensive energy strategy for our state, and via our own direct efforts to support and promote advanced energy production in Ohio. Ohio EPA's initiatives toward this end include establishing a Director's Office energy contact, reducing permitting time for advanced energy facilities such as ethanol production and methanol from landfill gas facilities, and developing guidance documents for ethanol and bio-diesel facilities. Permit processing times for grain ethanol plants have been significantly reduced.

While our budget is tight, we will continue to monitor air and water quality through sampling and laboratory analysis. We will also increase our pollution prevention outreach efforts with large industries in the hopes of helping them improve their operations, cut their costs, and, most importantly, reduce their release of contaminants by reducing the use of hazardous chemicals.

Our agency will continue to issue permits that govern installation and operation of air and water pollution sources and limit the type and amount of pollution that is released into the environment.

In conclusion, I believe that Governor Strickland has proposed a budget which requires us “to live within our means yet to invest in what matters”. It is a lean budget, sensitive to Ohio’s current economic troubles, yet sufficient enough to allow Ohio EPA to focus on its mission of protecting Ohio’s natural environment and public health. At the same time, such a lean budget will also give me, as the director of Ohio EPA, the impetus to continually look for more efficient and productive ways to interact with our various stakeholders, and to find and promote the right balance between a healthy environment and a prosperous economy, both of which are demanded by Ohio’s citizens.

I appreciate the opportunity to speak with you today and I would be happy to answer any questions you may have. Thank you.