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## **Daily Environment Report**

### **Afternoon Briefing - Your Preview of Today's News**

The following news provides a snapshot of what Bloomberg BNA is working on today. Read the full version of all the stories in the final issue, published each night. The Bloomberg BNA Daily Environment Report is brought to you by EPA Libraries. Please note, these materials may be copyrighted and should not be forwarded outside of the U.S. EPA. If you have any questions or no longer wish to receive these messages, please contact Josue Rivera-Olds at [rivera-olds.josue@epa.gov](mailto:rivera-olds.josue@epa.gov), 202-566-1558.

### **Canada Says it Will Withhold Funds if Provinces Don't Join Climate Change Plan**

*Posted June 16, 2017, 02:32 P.M. ET*

*By [Jeremy Hainsworth](#)*

Canada gave holdout provinces Saskatchewan and Manitoba until year's end to join the country's climate change framework or forfeit federal funds that would go toward climate change mitigation efforts.

Minister of Environment and Climate Change Catherine McKenna said most of the C\$2 billion (\$1.5 billion) in funding for greenhouse gas emissions reduction and energy efficiency projects to be spent over five years would go to provinces and territories that have adopted the Pan-Canadian Framework on Clean Growth and Climate Change for work to reduce greenhouse gas emissions.

Provinces that have joined the framework would each get C\$30 million (\$22.7 million) to start, plus additional funds based on population.

Saskatchewan and Manitoba, which oppose Prime Minister Justin Trudeau's new carbon tax, are the only provinces yet to sign the agreement. They would be ineligible any of the \$1.4 billion (\$1.06 billion) being earmarked for provincial programs to cut greenhouse gas emissions, McKenna said June 15.

Saskatchewan Premier Brad Wall labeled the plan "extortion," and said Saskatchewan has invested more per capita than any other province to address climate change through projects such as carbon capture and storage.

"If this fund, which Saskatchewan taxpayers have helped create, is really about reducing carbon emissions, how does withholding those funds for green initiatives in Saskatchewan help that objective?" Wall wrote in a Facebook post.

Beginning in 2018, the federal government will mandate a minimum carbon price of C\$10 (\$7.6) per metric ton. The tax will increase by C\$10 annually to reach C\$50 (\$37.8) a metric ton by 2022.

While provinces are invited to develop their own plans that meet Canada's minimum standards, Trudeau has said the federal government would tax fossil fuels and cap industry emissions in any province that doesn't bring in its own carbon price.

## **Canada Seeks Expedited Power to Protect Ocean Zones**

*Posted June 16, 2017, 02:26 P.M. ET*

By [Peter Menyasz](#)

Canada wants the authority to quickly declare sensitive marine environments temporarily off-limits to oil and gas production without going through the process of obtaining permanent protection status, which can take upwards of a decade.

Legislation introduced June 15 would give the government the ability to declare an area protected on a temporary basis for up to five years, immediately blocking all oil and gas activity in a proposed protected area, and canceling all oil and gas rights in those areas, with compensation provided to affected companies.

"These amendments to the Oceans Act will help Canada provide protection to sensitive marine areas that need it the most," Fisheries and Oceans Minister Dominic LeBlanc said in a statement. "As Canada continues to lead the way towards the sustainable management of our oceans, we will continue to base our decisions on sound science."

Chelsie Klassen, spokeswoman for the Canadian Association of Petroleum Producers, said the oil and gas industry opposes granting the government new power to unilaterally extinguish development rights.

Bill C-55, introduced in the House of Commons, would amend the Canada Petroleum Resources Act to empower the federal government to prohibit oil and gas activities in interim protected areas while a permanent marine protected area regulation is being developed.

To become law it must be passed by the House of Commons and the Senate, including review by parliamentary committees in both chambers, and then receive the rubber stamp of royal assent. Prime Minister Justin Trudeau's strong majority in the House of Commons guarantees that the bill will be passed. However, the Canadian Parliament is scheduled to recess for the summer after June 23 and resume Sept. 18, so the bill won't be passed until the fall.

The current regulatory process of officially designating an area a permanently protected ocean zone can take up to a decade in Canada, which the government said does not give it the flexibility it needs to protect natural resources.

Karen Wristen, executive director of the Vancouver-based Living Oceans environmental group, said: "We're hopeful we will see the government use the measures sooner rather than later."

## **Merkel Cabinet Opens German Clean Power Auctions to EU Neighbors**

*Posted June 16, 2017, 02:23 P.M. ET*

By [Brian Parkin](#) and [Andrew Reiersen](#)

Chancellor Angela Merkel's Cabinet approved a plan to allow companies in nations neighboring Germany to compete in clean power auctions.

Developers in the 28 European Union countries will be able to bid for as much as 300 megawatts of capacity, which is equal to about 5 percent of Germany's current annual auction volume, the Economy and Energy Ministry said. An ordinance ushering in the move will be effective shortly, and the ministry plans to expand the volume.

The step is aimed at integrating Germany's clean power expansion in the EU as the bloc strives to create a single market for electricity. Spreading generation beyond Germany's border will also help ease fluctuations in its wind and solar power generation, the ministry said.

Germany kicked off cross-border auctions last year in a test with Denmark, offering 50 megawatts of capacity to its neighbor. Denmark reciprocated offering 20 megawatts.

Merkel's cabinet set three conditions for implementing the ordinance. EU neighbor states must reciprocate by offering clean power capacity. They must anchor the pledge in an international agreement, and power that's generated must be able to be "physically imported" into Germany, the ministry said.

The cross-border auctions will be open to all types of green power. Regional advantages for specific types of power generation -- such as hydro power -- will help iron out the fluctuations in Germany's wind and solar power.

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## **US Navy in Hot Water for Washing Retired Aircraft Carrier**

*Posted June 16, 2017, 01:30 P.M. ET*

*By [Amena H. Saiyid](#)*

The cleanup of a decommissioned aircraft carrier at a base in Puget Sound's Sinclair Inlet has landed the U.S. Navy in court for an alleged Clean Water Act violation.

Puget Soundkeeper Alliance is suing the Navy for the alleged discharge of up to 730 cubic yards of debris into the water, which resulted from the use of scrapers and high pressure jets to clean the hull of the decommissioned USS Independence. The retired aircraft carrier was cleaned in January at the Naval Base Kitsap, which is located within the Puget Sound Naval Shipyard Complex, a designated Superfund site.

The lawsuit alleged the Navy failed to obtain a National Pollutant Discharge Elimination System permit, which is required under federal law to cover the discharge of pollutants into federally protected waters. Puget Soundkeeper said the debris from the cleanup project contained paint chips, suspended solids, and particulates of copper, zinc, and other metals that are classified as pollutants under the Clean Water Act.

Some portion of this debris remains on the bottom sediment in the waters near where the ship was cleaned, Puget Soundkeeper claimed.

The alliance filed the lawsuit June 14 on behalf of the Suquamish Tribe and the Washington Environmental Council. The lawsuit was filed in the U.S. District Court for the Western District of Washington.

## **Week Ahead: It's Perry's Turn in the Budget-Defense Barrel**

*Posted June 16, 2017, 01:28 P.M. ET*

*By Chuck McCutcheon*

Energy Secretary Rick Perry is expected to face grilling from Congress similar to what EPA Administrator Scott Pruitt received about proposed steep cuts to his agency's fiscal 2018 budget—one of numerous energy and environment events during the week of June 19.

Perry is scheduled to testify Tuesday before the House Appropriations' Energy and Water Development Subcommittee. The ex-Texas governor then will face the Senate's counterpart spending panel on Wednesday and the Senate Energy and Natural Resources Committee on Thursday. His appearances come after Republican appropriators, listening to Pruitt testify, dismissed the Trump administration's proposals for EPA as out of hand.

Under President Donald Trump's proposal, the Energy Department would sustain an overall 5.4 percent cut, or \$1.7 billion—minor compared to most other Cabinet agencies—from the estimated funding levels Congress provided in fiscal 2017. The agency's clean energy programs would bear the brunt of the cuts, with new funds funneled into the arm of the agency dealing with developing and safeguarding nuclear weapons.

Energy efficiency and renewable energy program funding would plummet by around 70 percent. Subprograms dealing with weatherization of homes and state energy are proposed for elimination “to reduce federal intervention in state-level energy policy and implementation,” according to the department.

Even fossil energy research, which supports research into coal, oil and other energy types that Trump has emphasized, is proposed to get a 55 percent cut. And Energy's Office of Nuclear Energy, which advances nuclear power as resource and conducts nuclear-related research and development, would see a nearly 30 percent cut.

Perry said last month that the budget proposal “delivers on the promise to reprioritize spending to carry out DOE's core functions efficiently and effectively while also being fiscally responsible and respectful to the American taxpayer.” But his predecessor Ernest Moniz, who served under President Barack Obama—and who is speaking at the National Press Club on Wednesday about the need for more energy research—said the proposed reductions “would put us behind China and Europe” in developing clean-energy markets.

Two senators already have come out publicly against cutting Energy Department research: Lamar Alexander (R-Tenn.), who chairs Appropriations' Energy and Water Subcommittee, and Lisa Murkowski (R-Alaska), who chairs Energy and Natural Resources. They joined several colleagues in a May letter asserting: “Federally funded research is imperative to ensuring we meet our energy, science, and national security needs for generations to come.”

Interior Secretary Ryan Zinke also is continuing to head to Capitol Hill to discuss his agency's proposed budget. The Senate Energy and Natural Resources Committee also will listen to Zinke on Tuesday, followed by the House Natural Resources Committee on Thursday. Like Pruitt, Zinke also

has faced bipartisan skepticism on called-for cuts at Interior, including elimination of a pilot program on abandoned mine lands, the Great Lakes Restoration Initiative, and an earthquake early warning program, as well as a deep cut in money for the Land and Water Conservation Fund. [Alan Kovski](#) will cover.

Pruitt, Zinke and numerous other public- and private-sector officials, including the Edison Electric Institute's Tom Kuhn and NuScale Power's John Hopkins, are scheduled to take part on Tuesday at a U.S. Chamber of Commerce's Institute for 21st Century Energy breakfast on how energy innovation can drive future economic growth. [David Schultz](#) will cover.

#### **In Other News**

Water infrastructure: The Senate Environment and Public Works Committee's Subcommittee on Fisheries, Water, and Wildlife will hold a Tuesday [hearing](#), "Innovative Financing and Funding: Addressing America's Crumbling Water Infrastructure." [Amena H. Saiyid](#) will cover.

Environmental technologies: The House Science, Space and Technology Committee's Environment Subcommittee will [hold](#) a Wednesday hearing on advances in environmental technologies. Among the companies testifying is Sairdrones Inc., which collects and delivers live ocean data on weather forecasting and climate, among other uses, through a fleet of autonomous sailing drones.

Climate roundtable: Rep. Eddie Bernice Johnson (D-Texas), the Science Committee's ranking member, will hold a Tuesday [roundtable](#) on climate change. Witnesses include scientists from Lawrence Livermore National Laboratory and Woods Hole Research Center.

Amended TSCA: The week of June 19 marks the one-year anniversary of Congress's overhaul of the Toxic Substances Control Act. The statute requires the agency to release by Monday its strategies for assessing the risks of 10 chemicals and groups of chemicals. The EPA also is required to issue by June 22 three final rules, which will describe the agency's approach to identify chemicals in commerce, determine which of them are priorities for risk assessment and carry out those risk evaluations. Many people have bet some or all deadlines may slip, but the agency has been working to meet them. [Pat Rizzuto](#) and [Sam Pearson](#) will cover.

WOTUS deadline: Monday is the deadline for states to submit comments on how they would like to see the EPA and U.S. Army Corps of Engineers rewrite the waters of the U.S. rule following the direction provided by Trump. In his executive order, Trump ordered that the rewrite consider the late Justice Antonin Scalia's opinion in a 2006 U.S. Supreme Court case in which Scalia asserted Clean Water Act jurisdiction on the basis of relatively flowing water. Reporting by Saiyid.

#### **EU Designates Bisphenol A an Endocrine Disruptor**

*Posted June 16, 2017, 01:14 P.M. ET*

By [Stephen Gardner](#)

The widely used chemical bisphenol A will be categorized as an endocrine disruptor for the purposes of the European Union's REACH regulation, the European Chemicals Agency said June 16.

Bisphenol A is already considered under REACH to be a "substance of very high concern" (SVHC) because it is toxic to reproduction. But a regulatory committee of representatives from the EU's 28 countries unanimously agreed at a June 12-16 meeting that it should also be designated an

endocrine disruptor, or a substance that could damage the hormone system, the chemicals agency said.

The additional designation has no immediate impact but could come into play if a decision is made to ban bisphenol A from use in the EU. Under REACH (Regulation No. 1907/2006 on the registration, evaluation and authorization of chemicals), SVHCs can be prioritized for phaseout, meaning their use would be prohibited in the EU unless companies obtain usage-specific authorizations.

To obtain an authorization, applicants must prove banned substances can be used safely and cannot be replaced by safer alternatives. Proving the safe use of an endocrine disruptor would be difficult because it is assumed there is no safe exposure level, unless the applicant for an authorization can prove such a level exists.

Natacha Cingotti, a policy officer with advocacy group the Health and Environment Alliance, said in a statement June 16 that the designation of bisphenol A as an endocrine disruptor was “long overdue and of crucial importance so that measures to reduce people’s exposure to the substance can be introduced in the future.”

#### **SVHC Updates**

Bisphenol A is manufactured in or imported into the EU in annual volumes of up to 10 million metric tons, according to European Chemicals Agency data. Most of that volume is used in the manufacture of polycarbonate plastic, which leaves only traces of bisphenol A in the finished product and would not be affected by a potential future phaseout decision on the substance.

Other uses of bisphenol A, such as in brake fluids, tires and adhesives and in the manufacture of polyvinyl chloride (PVC), could be affected if a decision is taken to phase out the substance. In such an eventuality, companies would require authorizations to continue using the substance in these applications.

The European Chemicals Agency said it would formalize the additional designation of bisphenol A by the end of June.

The agency added that the regulatory committee of EU national representatives had also agreed to identify the substance perfluorohexane-1-sulphonic acid and its salts as an SVHC because of its persistence in the environment and because it bioaccumulates in organisms.

The addition of the substance brings the number of SVHCs under REACH to 174. So far, decisions on phaseout have been taken for 43 of those substances.

#### **Pruitt Schedule Peppered With Energy Company Meetings**

*Posted June 16, 2017, 01:07 P.M. ET*

*By [Brian Dabbs](#)*

EPA Administrator Scott Pruitt met frequently with energy companies during his first six weeks in office, a timespan that didn’t feature a single meeting with an environmental advocacy group, his newly released [schedule](#) shows.

The former Oklahoma attorney general sat down with American Petroleum Institute executive committee, Chevron Corp., Duke Energy, BP America Inc., and the Edison Electric Institute between mid-February and the end of March, according to records obtained by Bloomberg BNA from a Freedom of Information Act request.

A range of coal and other energy companies filled Pruitt's campaign coffers during his past two decades in Oklahoma politics. Pruitt also in recent years led the Republican Attorneys General Association, which has close financial ties to energy companies.

He attended a RAGA dinner nine days after President Donald Trump swore him into office. Pruitt met with the Nature Conservancy and the Audubon Society, both environmental groups, in late April.

## **EU Sets Phaseout Dates For 12 Hazardous Chemicals**

*Posted June 16, 2017, 12:12 P.M. ET*

*By [Stephen Gardner](#)*

A European Commission decision to prohibit the use of 12 hazardous substances in the European Union ending a three-year moratorium on phaseout decisions is a welcome development, the European Chemicals Agency told Bloomberg BNA June 16.

The commission, the EU's executive arm, published the list of 12 substances in a regulation that amends Annex XIV of the EU's REACH law (Regulation No. 1907/2006 on the registration, evaluation and authorization of chemicals). The regulation brings the number of substances in the annex to 43.

Use of the substances will be phased out in the EU on various dates between July 4, 2020, and Jan. 4, 2021. Companies that want to continue using the substances thereafter must apply for specific authorizations, which can be granted if they can prove no alternatives exist and risks can be controlled.

The chemicals agency said in an emailed statement to Bloomberg BNA it was "delighted that this key process of the REACH regulation is moving again," following the moratorium. The commission suspended new additions to Annex XIV in 2014 amid concerns the process of applying for authorizations was too burdensome for companies.

In addition to the 43 substances now listed in REACH Annex XIV, the chemicals agency has submitted recommendations to the commission to list another 24 hazardous substances. The agency said, "We trust that the commission will continue to update the list regularly" based on these recommendations.

### **Range Of Substances**

The 12 substances affected by the new listing decision include eight with a sunset date of July 4, 2020: 1-bromopropane (n-propyl bromide); 1,2-benzenedicarboxylic acid di-C6-8-branched alkyl esters C7-rich; 1,2-benzenedicarboxylic acid, di-C7-11-branched and linear alkyl esters; 1,2-benzenedicarboxylic acid, dipentylester, branched and linear; bis(2-methoxyethyl) phthalate; diisopentylphthalate; dipentylphthalate; and n-pentyl-isopentylphthalate.

A sunset date of Oct. 4, 2020, will apply to anthracene oil and coal-tar pitch, high temperature. For

the final two substances—4-(1,1,3,3-tetramethylbutyl)phenol, ethoxylated and 4-nonylphenol, branched and linear, ethoxylated—the sunset date will be Jan. 4, 2021.

The substances have a variety of uses, including in cleaning products, cosmetics, consumer electronics, detergents, dyes and paints. Decisions to phase them out have been taken on the basis that they are toxic for reproduction, carcinogenic or damaging to the hormone system.

The regulation listing the substances in REACH Annex XIV was published in the June 14 edition of the EU Official Journal.

### **Moratorium Ends**

Frida Hok, a policy adviser with ChemSec, a Stockholm-based group that campaigns for the phaseout of toxic chemicals, told Bloomberg BNA June 16 that with the ending of the moratorium on new Annex XIV listings, the commission has no reason not to take further phaseout decisions for hazardous substances.

“We’ve been waiting for this for a long time. We definitely hope they will update the list on a regular basis,” Hok said.

The moratorium on new Annex XIV was primarily introduced because it was felt the process of applying for authorizations to continue to use hazardous substances in the EU was too costly and complex, especially for substances that are produced and used in low volumes, or that are needed for spare parts for machinery that is still in use but no longer manufactured.

The commission said in October 2014 it would put in place a simplified procedure for low volume substances, but this has not appeared. The commission “has been struggling” with the procedure because of difficulties in defining thresholds below which a simplified procedure would apply, Hok said.

### **Restriction Finalized**

Separately, the commission published a regulation June 14 adding perfluorooctanoic acid (PFOA) and related substances to Annex XVII of REACH, which contains restrictions on the uses of substances.

The restriction would outlaw the manufacture and sale of PFOA in the EU, and would allow only limited continued uses in some applications, such as in foam used in fire-fighting and in some medical devices. The restriction will apply in most cases from July 4, 2020, with longer deadlines in some specialized cases.

PFOA is persistent, bioaccumulative and toxic. In practice it has already largely been phased out from use in the EU.

### **Green Bond Growth Unruffled by U.S. Paris Exit, EIB Says**

*Posted June 16, 2017, 12:02 P.M. ET*

*By Lyubov Pronina*

Green bond sales by borrowers including Apple Inc. show the U.S. pullout from the Paris climate

accord has not slowed a market that almost doubled last year, the European Investment Bank's capital markets chief said.

If President Donald Trump's decision to take the U.S. out of the Paris climate accord was a setback for the international pact to curb greenhouse gases, issuers are brushing it off, according to Eila Kreivi, the bank's head of capital markets.

"Two years ago, it would have been a catastrophe but now the market has a life of its own," she said in an interview on the sidelines of an International Capital Market Association conference on green bonds in Paris on June 14. "We have seen so many American market participants who have said, we don't care. Indeed, Apple's green bond confirmed that."

Apple, which wants to run 100 percent of its operations on renewable energy, issued \$1 billion of the securities on June 13, adding to a \$1.5 billion sale in 2016. This year's most active seller of the securities is the French government, which sold an inaugural 7 billion euros (\$7.8 billion) in January to fund efforts to meet European Union targets on emissions cuts.

The EIB, which is the second largest global issuer of the securities in 2017 after France, according to Bloomberg league tables, will continue to provide as much as 4 billion euros per year in financing for eligible projects, Kreivi said.

"We expect to see a fairly similar number this year in lending and green bond issuance," she said.

Global sales of green bonds almost doubled last year to \$95.65 billion, according to Bloomberg New Energy Finance, which expects volumes to reach \$123 billion in 2017. The market's momentum has continued into this week with a 1 billion euro offering of notes across two maturities by Dutch power company TenneT Holding and China Three Gorges Corp's 650 million euro sale of seven-year paper.

The EIB is working with China to produce a White Paper by the year-end to map out a framework for green bonds principles, Kreivi said.

—With assistance from Brian Parkin.

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## **EU Publishes Nanomaterials Resources**

*Posted June 16, 2017, 11:29 A.M. ET*

*By [Stephen Gardner](#)*

The European Union has published two new resources providing an overview of nanomaterials on the EU market and cataloging the use of nanomaterials in cosmetics sold in the bloc.

The EU Observatory for Nanomaterials, managed by the European Chemicals Agency, collects information on the uses of nanomaterials (particles so small they can be seen only with a microscope), how they are characterized, how their risks are assessed and how they are regulated in the EU. The observatory went live June 14.

Nanomaterials in the EU are regulated through a patchwork of laws at EU and member-country

level. For example, there is no blanket EU-wide reporting obligation for nanomaterials in products, but Belgium, Denmark and France have national obligations, and Sweden is considering a national registry.

Geert Dancet, executive director of the European Chemicals Agency, said the nanomaterials observatory was aimed at consumers and workers as well as regulators, and was intended as a reliable source of “objective and easily understandable information.”

Separately, the European Commission, the EU’s executive arm, published June 15 a catalog of nanomaterials used in lipsticks, shampoos, sun creams and other cosmetics. The catalog lists the nanomaterials, the categories of cosmetic products in which they are used, and routes by which the nanomaterials could potentially enter the human body.

Although the EU has no overall nanomaterial reporting obligation, the EU Cosmetics Regulation ((EC) No 1223/2009) requires cosmetics companies to notify basic information about their use of nanomaterials. The commission said it “takes no responsibility for the content and the scientific qualification of the notifications.”

The nanomaterials in cosmetics catalog includes 43 substances used as colorants, preservatives and UV-filters. The commission said the catalog was “a work in progress subject to modifications,” which would be updated regularly.

### **Canadian Oil-Sands Production Expected to Grow Rapidly**

*Posted June 16, 2017, 11:21 A.M. ET*

*By [Kevin Orland](#)*

Canada’s oil-sands will increase production rapidly in the next three years, ranking only behind U.S. shale as the biggest contributor to global supply growth.

The oil sands will boost output by almost half a million barrels a day over this year and the next, with a smaller increase in 2019, IHS Markit [said](#) June 15. Production from the resource, which churned out about 2.6 million barrels a day last year, may be 1 million barrels per day higher by 2026, the researcher said.

The deposits of sand, water, clay and hydrocarbons in northern Alberta saw a frenzy of dealmaking activity earlier this year as Canadian producers bought out international partners in a bet that they can make the capital-intensive operations more efficient and profitable. Indeed, much of the production growth from the oil sands will come from expansion of existing facilities, which offer lower costs and risks, as well as quicker returns, IHS said. The IHS projections echo a study released by the Canadian Association of Petroleum Producers June 14, which forecast oil-sands production would increase by 1.3 million barrels a day by 2030. That study also indicated that the nation’s crude output will exceed existing pipeline capacity, limiting producers’ access to markets.

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### **EPA Accepts New Air Monitoring Technology for State, City Use**

*Posted June 16, 2017, 10:44 A.M. ET*

By Rachel Leven

States and cities have two more EPA-sanctioned tools available to measure carbon monoxide and nitrogen dioxide concentrations in the atmosphere.

The Environmental Protection Agency approved the use of a Kentek Environmental Technology's non-dispersive infrared analyzer to measure carbon monoxide concentrations, according to a notice scheduled for publication June 19. The agency also approved an automated method analyzer made by Ecotech Pty. Ltd. to measure nitrogen dioxide concentrations.

These new tools offer states and municipalities more options for measuring air pollutants to determine compliance with EPA clean air standards.

Nitrogen dioxide gets into the air when fuel is burned at power plants and other industrial facilities, as well as by cars and trucks. Exposure to nitrogen dioxide presents risks to people's respiratory systems, including further irritation of asthma. Carbon monoxide is a toxic gas that is emitted by a variety of sources, including leaking chimneys and generators. The health harms posed by carbon monoxide range from fatigue to death at high concentrations.

### **Slashing EPA Budget May Send Wrong Staff to Toxics Office**

*Posted June 16, 2017, 6:31 A.M. ET*

By Steve Gibb

Former EPA chemicals officials warned that if the agency's budget is significantly cut, employees with the wrong training may be transferred to implement a recently amended chemicals law.

The Trump administration forwarded an Environmental Protection Agency budget to Congress for fiscal 2018 that slashes its budget by one-third, or by about \$2.6 billion compared to 2017 levels. But the chemicals program is slated for a substantial budget increase to address new risk review responsibilities under the Toxics Substances Control Act updated last June.

Former officials said that cuts of this magnitude would lead to significant personnel transfers with the wrong skills for chemical oversight.

For example, if the cuts outpace EPA's ability to meet budget targets through staff attrition or voluntary retirements, enforcement officers or air program engineers may be shifted to the Office of Chemical Safety and Pollution Prevention (OCSPP) that needs toxicologists, chemists and exposure scientists.

#### **Challenging New Mandates**

Despite cuts for most EPA programs, the proposed White House fiscal year 2018 budget would raise funding for the EPA's chemical risk review and reduction program to \$65 million—a \$6.59 million increase over fiscal 2017 levels.

OCSPP is one of the few EPA programs expected to receive a budget increase from Congress because of challenging new mandates to expand oversight of chemicals produced or imported into the U.S. under the Lautenberg Chemical Safety Act (LCSA).

“If EPA budget cuts are bigger than can be absorbed through attrition, then staff from other offices will be transferred to the toxics office,” Jim Jones, former chief of the EPA chemicals and pesticide programs, told Bloomberg BNA. “Solid, hard-working staff will join OSCPP but some won’t have the skill mix the program needs to continue to implement the LCSA.”

Former EPA pesticide and union official Steve Hopkins agreed. “The proposed cuts will further diminish important oversight, review and registration functions and result in people performing work outside their experience skill set,” he told Bloomberg BNA.

But other union officials say transfers can work out well and are preferable to general workforce cuts.

Joe Edgell with the National Treasury Employees Union—which also covers some EPA employees—told Bloomberg BNA, “We would encourage moving people around” rather than having a general reduction-in-force and then hiring new staff for the chemicals program. “Obviously we want to make sure people are qualified to do the work, but people can learn new things.”

EPA downplayed the potential shift of unskilled personnel, saying it’s speculative.

“These are hypothetical scenarios. The fact is that EPA Administrator Scott Pruitt supports a budget that provides funding to protect our air, water, and land while reducing wasteful spending in our government,” according to EPA spokesman Jahan Wilcox.

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