



SIERRA CLUB

NORTH CAROLINA

PROPOSED FEDERAL CUTS TO US EPA: A GUIDE TO UNDERSTANDING THE POTENTIAL IMPACT ON NORTH CAROLINA'S ENVIRONMENTAL PROGRAMS

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The U.S. Environmental Protection Agency plays a fundamental role in protecting the environmental health of North Carolina. It works with the N.C. Department of Environmental Quality (DEQ) to set policies and regulations, then enforce those regulations. The EPA provides budgetary support to state environmental programs and to our universities for environmental research.

North Carolina's environmental programs are heavily dependent on federal funding, along with annual appropriations set out in the state budget by the General Assembly. News reports published March 15, 2017, say the Trump administration is considering cuts of at least 25 percent to the EPA budget. The final federal budget, including the EPA budget, will require approval by Congress.

The impact of possible EPA cuts on North Carolina environmental programs and enforcement would be considerable on its own. But it is important to note that these cuts would compound substantial funding reductions to N.C. DEQ made by the General Assembly over the past six years. Governor Cooper has proposed a state budget that would start to build back some of the DEQ programs cut over the past six years; the 2017-2018 state budget is not yet finalized.

The Baseline: Background on Six Years of State Environmental Funding Reductions

Newly proposed cuts to the EPA, if adopted, would reduce already overburdened environmental program budgets at DEQ, which have been through at least six years of cuts at the state level.

In 2009-2010, all state program budgets were reduced to address a budget shortfall caused by the 2008 recession. After 2011, the Legislature made more significant cuts to specific DEQ programs. Coastal management, water quality, and sedimentation pollution programs saw some of the greatest cuts.

◆ Division of Coastal Management (DCM): 20 percent reduction in staff. DCM issues permits for major coastal development projects, reviews federal coastal projects, supports public beach access, and manages the state’s coastal reserve sites for research and education.

◆ Division of Water Resources (DWR): Reductions of at least 18 percent in water quality and water resources program staff. The cuts resulted in a 41 percent reduction in water quality staff in DEQ regional offices. Staff in the regional offices do initial site visits for permit applications, provide technical assistance, and inspect facilities to ensure they comply with permits.

◆ Sedimentation Program: 45 percent reduction in sedimentation staff since 2008. Staff levels fell from 65 in 2008-2009 to 36.9 in 2015-2016. The sedimentation program implements state law requiring erosion control measures on active construction sites to prevent sediment from reaching rivers, lakes and streams.

Potential Impact of Anticipated Cuts to EPA on N.C. Environmental Programs

These cuts, if adopted, would slash budgets for enforcement, environmental protection programs and university research, as explained below.

1. PROPOSED CUTS TO EPA AND U.S. DEPARTMENT OF JUSTICE: ENVIRONMENTAL ENFORCEMENT

According to published reports, the Trump administration has discussed cuts of as much as 30 percent to environmental enforcement programs in EPA and in the Department of Justice. Although N.C. DEQ does routine enforcement for the programs that have been delegated to the state, EPA in coordination with Department of Justice attorneys bring specialized and high priority enforcement cases. Examples of joint EPA and DOJ enforcement in N.C. include the following:

◆ 2016 partial settlement with Volkswagen for violations of the Clean Air Act caused by deliberately bypassing pollution control devices on vehicles the company manufactured and sold in the U.S.

◆ 2016 settlement requiring a \$5.5 million cleanup of PCBs in the area surrounding the Ward Transformer site in Wake County. PCBs, or polychlorinated biphenyl, is a chlorine compound that was widely used in manufacturing until environmental toxicity was proven and it was banned in the U.S. in 1979. Although banned, it may remain in some products like electrical transformers.

- ◆ 2015 consent decree in a case against Duke Energy for violation of the Clean Air Act in N.C. Settlement of the case included \$4.4 million for mitigation of the air quality impacts in communities around the Duke Energy’s polluting coal-fired power plants.
- ◆ 2014 settlement requiring installation of upgraded air pollution controls and emissions monitoring at nitrogen fertilizer plants in Aurora, N.C.
- ◆ 2014 consent agreement in an enforcement action against Duke Energy for Clean Water Act violations caused by the Dan River coal ash spill. In addition to penalties, EPA required Duke Energy to enter into a \$3 million cleanup agreement.
- ◆ 2013 settlement with the City of Wilmington and New Hanover County for Clean Water Act violations including unauthorized discharges of untreated sewage.
- ◆ 2010 settlement of Clean Water Act construction stormwater violations by homebuilder Beazer Homes USA, Inc. at construction sites in 21 states including North Carolina.
- ◆ 2002 criminal conviction of the owner of Carolina Upgrading of S.C. Inc., a company that falsified more than 1,500 inspection/leak detection reports on underground storage tanks at gasoline stations and other facilities in Florida, Georgia, North and South Carolina, Tennessee, and Virginia.
- ◆ 2002 guilty plea by Lakeview Packing Company, a hog slaughter and processing company, for Clean Water Act violations. The company intentionally discharged 30,000 gallons per day of process waste through a drain pipe into a marsh connected to a tributary of the Neuse River.

2. N.C. ENVIRONMENTAL PROGRAMS

CURRENT FEDERAL GRANTS (ACTUAL) TO N.C. ENVIRONMENTAL PROGRAMS, AND PROPOSED CUTS (BASED ON PUBLISHED REPORTS)

The charts below show the amount of the most recent federal grants received by DEQ environmental protection programs (as shown in the [2017 budget](#)); the percentage of the total DEQ program budget the federal grant represents; and the federal reduction now reportedly under discussion. The charts below are approximations based on numbers in the N.C. state budget, available on the N.C. Office of Budget & Management website. A question mark indicates uncertainty about the impact of proposed federal budget reductions.

Estimates are based on media reports of planned Trump administration budget cuts, in reference to the 2017 certified budget for N.C. environmental programs. All of the federal grant funds shown come through the EPA budget except for the coastal management grants.

AIR QUALITY

N.C. Clean Air Act Implementation

[Note: this program receives no state appropriations. The only state dollars come from fees.]

Total Program Cost	Current Federal Grant	Percent Federally Funded	Proposed Federal Funding Cut (re. media reports)
\$4,854,105	\$2,482,845	+/- 50 percent	-30%

Other Air Quality Grants

Program	Current Federal Grant	Proposed Federal Funding (re. media reports)
Greenhouse Gas Emissions	\$229,932	\$0
Clean Diesel Program	\$625,883	\$0
Air Quality Monitoring	\$799,710	?
Nitrogen Dioxide Air Pollutant Monitoring	\$149,460	?

WASTE MANAGEMENT

Solid Waste Management: Total Budget \$11,886,783.

Program	Current Federal Grant	Proposed Federal Funding (re. media reports)
Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) (Brownfields, Superfund)	\$2,228,910	\$0
Hazardous Waste	\$2,244,789	?

Underground Petroleum Storage Tanks Cleanup Program

Program	Total Funding	Federal Grant	Percent Federally Funded	Proposed Federal Funding (re. media reports)
Leaking Underground Storage Tank Cleanup	\$4,248,490	\$2,044,483	50%	?
Underground Storage Tank Regulation	\$5,275,121	\$2,204,007	40%	?

DIVISION OF WATER RESOURCES

Clean Water Act Implementation (Permitting and Enforcement)

Total Funding	Current Federal Grant	Percent Federally Funded	Proposed Federal Funding Cut (re. media reports)
\$14,160,554	\$6,662,950	+/- 50%	-30%

Other Division of Water Resources Grants

Program	Total Funding	Current Federal Grant	Percent Federally Funded	Proposed Federal Funding (re. media reports)
Safe Drinking Water Act	\$5,870,612	\$3,316,895	> 50%	-30%?
Nonpoint Source Water Pollution	\$4,114,787	\$4,114,787	100%	?
Wetlands Program	\$468,373	A minimum of \$203,826 (Wetlands Assessment)	>40%	?
Groundwater Protection	\$873,756	\$86,341 (Underground Injection Control)	10%	?

Water Resources Planning ¹	\$4,450,002	\$1,232,269	22%	?
Albemarle Pamlico Estuary Program	\$1,098,731	\$1,098,731	100%	?

MISCELLANEOUS

Purpose	Division/Office	Total Funding	Current Federal Grant	Percent Federally Funded	Proposed Federal Funding (re. media reports)
Beach Water Quality monitoring	Division of Marine Fisheries	\$330,812	\$330,812	100%	?
Pollution Prevention			\$34,603		0

COASTAL MANAGEMENT²

Total Budget: \$6,139,124 Federal Grants: > 50% Budget

Purpose	Total Funding	Current Federal Grant	Percent Federally Funded	Proposed Federal Funding (re. media reports)
Coastal Program Implementation	+/- \$2,466,307	\$2,466,307	50%	-17%? ³
Coastal Resource Enhancement	\$376,000	\$376,000	100%	?
Estuarine Reserves	?	\$929,923	+/- 75%	Unspecified cut

¹ The total planning budget appears to include both water quality planning and the river basin hydrologic modeling program. The federal grant goes only to water quality planning, so would represent a larger percentage of that program budget.

² Federal grants for the coastal management program and the National Estuarine Research Reserves come through the U.S. Department of Commerce budget for the National Oceanic and Atmospheric Administration.

³ Based on proposed percentage cut to total NOAA budget.

3. GRANTS TO N.C. UNIVERSITIES FOR ENVIRONMENTAL AND CLIMATE CHANGE RESEARCH

N.C. Sea Grant Program (North Carolina State University):

The Trump proposed budget (as reported in the media) would, if passed, eliminate all funding for Sea Grant programs nationwide. The National Oceanic and Atmospheric Administration (NOAA) budget funds Sea Grant programs in 33 states and territories to do research and provide extension services on coastal issues such as erosion and other coastal hazards, fisheries, aquaculture, and threats to coastal resources such as algal blooms. A NOAA grant provides about half of the total funding for the N.C. Sea Grant program. As reported by the News and Observer, N.C. Sea Grant received about \$1.7 million in federal money last year, \$1 million in state matching funds and about \$774,000 in funding from other sources. The N.C. Sea Grant program employs 26 people and distributes millions of dollars for research on coastal issues by faculty at a number of UNC campuses.

Other university-based research organizations that receive research grants through the NOAA and EPA budgets include the UNC Institute for the Environment (UNC-CH), the Institute for Marine Sciences (UNC-CH) in Morehead City, and individual departments/faculty at UNC-CH, NCSU, UNC-Wilmington, and other UNC system campuses. EPA has awarded millions of dollars in grants to university-based researchers in North Carolina on subjects ranging from water infrastructure funding and maintenance to nutrient pollution reduction; the health effects of exposure to airborne particulates, arsenic, and endocrine-disrupting chemicals; and climate modeling. Grants through NOAA's National Center for Coastal and Ocean Science also makes grants to university-based researchers. Research funded in North Carolina included mapping of wind energy resources off the coast; study of alternative ways to stabilize coastal shorelines; invasive lionfish; and development of training to identify harmful algae.

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