1	United States Senate
2	Environment and Public Works Committee
3	Field Hearing
4	Impacts of the Proposed Waters of the
5	United States Rule on State and Local
6	Governments and Stakeholders
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8	Hearing held at the hour of
9	10:00 a.m. on March 14, 2015, at Hardin Hall
10	Auditorium, University of Nebraska-Lincoln,
11	3310 Holdrege Street, Lincoln, Nebraska.
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13	APPEARANCES:
14	Senator Deb Fischer Chair
15	Mr. Justin Lavene Panel 1:
16	Ms. Mary Ann Borgeson Panel 2: Ms. Barbara Cooksley
17	Mr. Donald Wisnieski
18	Mr. John Crabtree Mr. Wesley F. Sheets
19	Mr. Don Blankenau
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SENATOR FISCHER: Good morning. Good morning everyone. This hearing will come to order.

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I am pleased to bring the United States

Senate to Nebraska and convene this hearing of the

Senate Environment and Public Works Committee.

Today's hearing is titled Impacts of the Proposed

Waters of the United States Rule on State and

Local Governments and Stakeholders.

I believe Nebraska is the perfect place to hold this hearing. Our surface water and groundwater are so important to this state.

Nebraskans take great pride in their stewardship of these precious resources and they are rightly concerned with the federal government's attempt to seize control.

I am pleased to hold this hearing at our very own land-grant university.

So, to begin, I would like to say a special thank you to the University of Nebraska for providing today's accommodations.

I would also like to thank our staff that is present today. I have two of my Washington staff members present, Michelle Weber, who is from Blue Hill, Nebraska, and Jessica Clowser, who is

from Seward, Nebraska. They are tucked back here around the corner. But I am happy that they were able to come home and serve here at the Committee to help me.

We also have two Committee staff people that our Chairman, Senator Jim Inhofe of Oklahoma has provided, Laura Acheson and Lauren Sturgeon. So thank you for being here.

And Senator Ben Cardin from Maryland on the Majority side has sent a staff person as well, Mae Stevens.

So welcome to all of you.

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I'm excited to welcome a diverse group of Nebraska's stakeholders this morning to share their perspectives on the proposed rule to revise the definition of waters of the United States for all Clean Water Act programs. This hearing will allow us to explore the issue in depth and determine the impact this rule would have on our state and on Nebraskan families. Last year, the EPA and the Army Corps of Engineers proposed a rule that redefines federal regulatory reach to include everything from farm ponds and drainage ditches to low-lying areas that are dry for most of the year. This proposal is a massive expansion

of federal jurisdiction beyond congressional intent.

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Congress limited the federal government's regulatory authority in the Clean Water Act to navigable waters. And the Supreme Court confirmed these limitations in the SWANCC and Rapanos cases. The Court expressly rejected attempts to expand federal control over water, and made it clear that all water is not subject to federal jurisdiction under the Clean Water Act. Instead of following the law, this administration has decided to twist the rule's definition to include almost every drop of precipitation that could eventually make it to navigable water. This was not the intent of the Clean Water Act.

Nebraskans take seriously their role in protecting and conserving our natural resources. Responsible resource management, including careful stewardship of our water, is the cornerstone of our state's economy. This is a vital interest to Nebraska's families, Nebraska businesses, our agricultural industry, and our local communities.

Nebraskans understand that the people closest to the resource are also those who are best able to manage it.

We are blessed to live in a state with 23 local Natural Resource Districts served by board members from those local communities, and to have landowners and communities that truly care about clean water and a healthy and productive environment. That's why it came as no surprise that Nebraskans were so offended when the federal government made its proposal without consulting state and local authorities, without considering their rights, and without realistically examining the potential impacts. I am grateful that Nebraskans were quick to recognize the far-reaching consequences of this rule, and to organize a group effort to raise the alarm. common sense Nebraska coalition should be commended for its efforts to highlight the sweeping implications of this rule on everyone, from county officials trying to build a road, to a farmer managing rainwater runoff.

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Clean Water Act permits are complex, time consuming and very expensive. They leave landowners and our local governments vulnerable to citizen suits. The proposal would make it difficult to build anything, whether it's a home for a family, a factory to provide needed jobs, or

highways and bridges necessary to transport our people and goods.

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I am entering into the hearing record a letter and analysis from Mike Linder, who served as the Director of the Nebraska Department of Environmental Quality from 1999 to 2013. He states that the rule is an erosion of cooperative federalism that will harm the success of Nebraska's conservation practices and programs.

Today's hearing will begin with a witness who can speak to the importance of the state's water protection programs and cooperative federalism.

Assistant Attorney General Justin Lavene is the chief of the Agriculture Environment and Natural Resources Bureau at the Nebraska Department of Justice. A native of Bertrand, Nebraska, Mr. Lavene supervises the litigation and legal support for the Nebraska agencies and boards, including the Department of Environmental Quality, Department of Natural Resources, Department of Agriculture, Game and Parks Division and the Environmental Trust.

Mr. Lavene, I thank you for being here.

And when you are ready, please begin your

testimony.

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Thank you, Senator Fischer. MR. LAVENE: Chairman Inhofe, and Ranking Member Boxer, Members of the Senate's Committee on Environment and Public Works, my sincere thanks for the opportunity to present the Nebraska Attorney General's Office concern regarding the joint proposal by the United States Army Corps of Engineers and the Environmental Protection Agency to define the Clean Water Act's use of the phrase "waters of the United States" in a manner that would appear to dramatically expand the scope of federal authority under the Act. The Nebraska Attorney General's Office, alongside a number of our sister states, previously offered comments to the Agencies on the proposed -- on the proposed expansive definition. The Attorneys General apprised the Agencies of those aspects of the proposed definition which are inconsistent with the limitations of the Clean Water Act, as interpreted by the United States Supreme Court, as well as the outer boundaries of Congress's constitutional authority over interstate commerce, and the principal of cooperative federalism as embodied in the Act. However, it is not certain

that those concerns will truly be considered, which is why we appreciate the opportunity to present additional testimony here today.

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Congress intended the Clean Water Act to recognize, preserve, and protect the primary responsibilities and rights of the states to plan and -- the development and use of land and water resources. Nonetheless, EPA, along with the Corps, persistently violates this principal of cooperative federalism in practice and now seeks to codify a significant intrusion on the states' statutory obligations with respect to intrastate water and land management. Despite Nebraska's consistent and dutiful protection of its land and water resources, in a manner consistent with local conditions and needs, the Agencies seek to further their disregard for State primacy in the area of land and water preservation, and instead make the Federal Government the primary regulator of much of the intrastate waters and sometimes-wet land in the United States. The Agencies may not arrogate to themselves the traditional state prerogatives over intrastate waters and land use; after all, there is no federal interest in regulating water activities on dry land and any activities not

connected to interstate commerce. Instead,

States, by virtue of being closer to communities,

are in the best position to provide effective,

fair, and responsive oversight of water use, and

have consistently done so.

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The Agencies propose a single definition of the phrase "water of the United States" for all of the Act's programs. Currently, there is a difference in use and application of the term "water of the United States" for various sections of the Act. In Nebraska, since the 1970s, EPA has delegated authority to the Department of Environmental Quality to implement all programs except Section 404 dredge and fill, and Section 311 oil spill programs. Thus, the Section 402, National Pollutant Discharge Elimination System, or NPDES program, the Section 303, water quality standards and total maximum daily load program, and the Section 401, state water quality certification process, are all administered at the state level. This same arrangement exists in all but a handful of states.

The continued state administration of the NPDES program requires the Department of Environmental Quality to have an equally stringent

regulatory structure, including its own definition of jurisdictional waters. Accordingly, the Department has administered the various Clean Water Act programs using its own "waters of the state" definition for nearly 40 years with EPA approval. However, the regulatory approach used by the Agencies to develop a single definition of "waters of the United States," which will affect all the Clean Water Act programs, is modeled after the existing guidance provided by the Agencies and the United States Supreme Court which was limited on its face to the jurisdictional determinations for federally-administered dredge and fill programs found in the Clean Water Act of 404.

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When applied in the context of other Clean Water Act programs, the proposal creates significant cost and confusion, it increases unnecessary bureaucracy, and infringes on state primacy, and exposes agricultural producers to new liability. During the 40 years of state implementation of the "waters of the state" requirement, the Department has applied the definition to Section 402 permitting decisions thousands of times. In Nebraska, livestock producers in particular are subject to the

requirements of either an individual or the general NPDES discharge permit. In accordance with the terms of their permits, which are often crafted in reliance on the definition of the "waters of the state," these producers often construct waste control facilities and mitigating land features, such as berms or waterways, to help divert runoff from waters of the state. If the proposed definition of "waters of the United States" is suddenly applied to the state-administered Section 402 program, the effectiveness of all the Department's permitting efforts is brought into question. The land features constructed by producers in a good-faith effort to comply with the permitting requirements may constitute a tributary or adjacent water. Moreover, long-exempted operations may unknowingly find themselves subject to Clean Water Act jurisdiction. Similar increased administrative burdens may result with regard to the states' administration of Section 401, state water quality certifications, and Section 303, water quality standards. As the scope of federal jurisdictional

waters grows larger with the promulgation of the

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proposed definition, the number of federal actions requiring Section 401 certification of the state and the number of waters requiring the establishment of Section 303 standards and TMDLs will likely also increase. The Department of Environmental Quality will be responsible for shouldering this burden leading to increased budget and resource demands.

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The Agencies suggest that the rule does no more than clarify what the Supreme Court has already declared with respect to the scope of federal authority under the Clean Water Act. Ву now, the Committee members are likely familiar with the Supreme Court's holdings in Solid Waste Agency of Northern Cook County versus the Army Corps of Engineers, or SWANCC case, and Rapanos versus the United States. Respectively, the holdings in these cases confirmed the limits of the federal government's, and the primacy of the states, over intrastate waters and required, at the least, a demonstrated significant nexus between nontraditional and traditionally jurisdictional waters before the agency may assert its authority.

However, the proposed categorical inclusion

of broadly-defined tributaries and adjacent waters looks to sweep a large mass of previously unregulated land within the ambit of federal jurisdiction. And for any that might remain beyond the Agencies' reach per se, the catch-all is proposed to allow case-by-case determinations for any water meeting the vaguely-defined significant nexus test. The effect of these newly-included categories of land and water features is not clarity, but rather an inconsistent and overbroad interpretation of the Supreme Court's holdings and the limits of the Act which places virtually every river, creek and stream, along with vast amounts of neighboring lands, under the Agencies' Clean Water Act jurisdiction. Many of these features are dry the vast majority of time and are already in use by farmers, developers, or homeowners. More importantly, the imposition of Clean Water Act requirements on waters and lands far removed from interstate commerce or navigable waters is harmful not only to the states themselves, but to the farmers, developers and homeowners. Ninety-two percent of Nebraska's 77 thousand square miles of area is used for

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agricultural production. The proposal treats numerous isolated bodies of water as subject to the agencies' jurisdiction resulting in landowners having to seek permits or face substantial fines and criminal enforcement actions. Nor must lands have water on it permanently, seasonly, or even yearly to have it be a "water" regulated under the Act. And if a farmer makes a single mistake, perhaps not realizing that his land is covered under the Clean Water Act or Rapanos, he or she can be subject to thousands of dollars of fines and even prison time.

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Members of the Committee, we ask that

Congress continue to work to ensure that the EPA

and the Corps recognize, preserve, and protect the

primary responsibilities and rights of the states

to plan the development and use of land and water

resources in our state.

Thank you for the opportunity to be heard.

SENATOR FISCHER: Thank you, Mr. Lavene.

Now I'd like to go through a series of questions with you, if we could.

MR. LAVENE: Okay.

SENATOR FISCHER: I have a number of questions here and I would appreciate your

response to those.

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Can you talk about the role of the state in protecting water quality and administering the water protection programs, and what is that cooperative federalism that we hear about and why is it so important that states have that strong role in water protection?

MR. LAVENE: Sure.

With regard to the state protecting water, as I kind of mentioned in my testimony, and this kind of gets into, obviously, the cooperative federalism issue, we have a situation where under the Clean Water Act federal government regulates a portion of the Act's responsibilities. And the State of Nebraska separately administers some of the other programs. As I stated before, the Department of Environmental Quality in the State of Nebraska regulates discharge permits under Section 402, water quality standards, and total maximum daily loads under 303, and also water quality certifications under -- under Section 401. Again, it's a shared responsibility that is -it's basically the function of the cooperative federalism. And that is basically shared responsibility between state and federal

governments to implement these laws. Now, part of the reason that that occurs is that both the 3 federal government and the states have somewhat separate interests. The federal government does 4 have an interest in protecting interstate streams. 5 6 So that is originally why the Act was passed dealing with "waters of the U.S." that were 7 8 basically navigable in fact. But the states have always historically had a strong interest in 9 10 protecting waters in the state itself. 11 interstate land use and water issues. And so in 12 examining that and looking at the Clean Water Act, 13 it's appropriate that the state perform the function of dealing with those intrastate waters. 15 Especially those that would allow, in fact, 16 interstate commerce. And so, again, that 17 cooperative federalism is out there, and I think 18 it works well and has worked well for a number of 19 years under the current definition of "waters of 20 the United States". The problem here is you --21 you get to a point where that cooperative 22 federalism could come into jeopardy, and I think 23 that's because you have a situation where the 24 federal government is -- through this new 2.5 definition, would be inserting itself or

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interjecting itself into some of the primary responsibilities of the state. And that is reaching out into intrastate waters that should be solely regulated by the state and not the federal government.

SENATOR FISCHER: And when you talk about the permitting decisions that are -- that are currently out there, those are state-administered programs; correct?

MR. LAVENE: Yes.

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SENATOR FISCHER: And this proposed rule -- well, if we're going to apply this expanded definition now to state programs, what do you think the impact would be on the Nebraska Department of Environmental Quality?

MR. LAVENE: Well, part of the problem here is, again, I probably mentioned a couple of themes or topics here a couple of times, but the State of Nebraska and its ability to implement and administer those federal programs under the Clean Water Act, the State of Nebraska must go through a process of adopting state statutes. And then the Department must go through a process of adopting rules and regulations. Now, those states and those rules and regulations need to be approved by

the Environmental Protection Agency to make sure that they're consistent with the -- the Clean Water Act and the provisions there. And they at least need to be as stringent as -- as the federal One good example that I think I discussed in my testimony is that the State of Nebraska has its own statutory definition of "waters of the state." And it is different than the definition placed on federal laws of "waters of the United States." But that definition as codified in Nebraska state statutes has been approved by the Environmental Protection Agency and has been regulated. definition has been used and regulative of Clean Water Act programs. The problem here, moving forward then, is in how it will affect the Department. I think there's a lot of uncertainty with regard to how the new definition is going to affect their administration. Will the agency have to go back and go through another review process with the EPA with regard to this new definition and our current state laws and rules and regulations? That's somewhat of an unknown. don't know if we have to do that. We don't know if we'd have to change the definition of the "waters of the state." We don't know if we'd have

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to basically amend those rules and regulations.

Basically what I'm saying is, we're not sure that our actions today are currently appropriate under the new definition or if the changes are going to have to be made for us to continue to administer those programs.

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SENATOR FISCHER: And I understand that this rule is going to expand the practice on a case-by-case jurisdictional determination. How is that going to really impact our state operations; do you have any idea? I mean, I know there's a lot of unknowns out there, but how -- how do you think that will impact the operations here in the State of Nebraska?

MR. LAVENE: I -- I think it's going to cause some confusion on behalf of both the Agencies and the individuals that will be regulated. I think what you have here is, under this new definition, you're going to have basically a per se -- basically an increase in the per se categorical determination of what is a "water of the U.S." And so that's going to expand geographically in the state to encompass waters that probably were previously not under the jurisdiction of the Clean Water Act. But in doing

so you're also going to leave some isolated bodies of water out of there that there are going to be questions on. Basically, when you look at the proposed rule and definition and what these isolated waters are, these other waters, if you will, you do have to go through a case-by-case analysis of that, and it really determines or comes down to whether or not there's some significant nexus to a core water. Again, the problem is, we're uncertain how EPA is going to deal with that. And so because EPA hasn't given us that additional information and/or quidance on how they're going to handle that, the State of Nebraska's unsure on how we can implement our programs using that same definition. SENATOR FISCHER: Have you requested quidance? MR. LAVENE: We have gone through -well, I know that there have been various meetings with EPA and the Department of Environmental Quality prior to this rule coming on, but I don't think that those -- those meetings were -- I wouldn't consider them consultation and collaboration, if you will, on trying to develop language for the proposed rule to basically meet

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needs and requirements at the state level.
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    don't think there was really that give and take,
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   government.
               SENATOR FISCHER: And you explained the
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    State has been delegated authority over the Clean
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   Water Act program since the '70s?
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               MR. LAVENE:
                            Yes.
               SENATOR FISCHER: And we have our unique
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    "waters of the state" definition that's been in
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    effect for 40 years; correct?
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               MR. LAVENE: Yes.
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               SENATOR FISCHER: And if the certainty
    of that definition and the four decades of
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    decision making by the Nebraska Department of
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   Environmental Quality is basically turned
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    upside down by this proposed rule, what do you
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    think's going to be the result? And address
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    liability concerns, if you would.
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               MR. LAVENE: Again, I go back to this
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    common theme of confusion and uncertainty for the
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             And, again, that goes back to, we are
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   uncertain how the Environmental Protection Agency
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    is going to interject itself into the State's
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    current administration of the federal programs
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under the Clean Water Act. Again, we don't know if new laws need to be passed, new rules need to be adopted. I think the Department of Environmental Quality, and I think most everyone would agree, that the -- that the Department of Environmental Quality has done an outstanding job in the last 40 years to protect the State's water quality. So if you look at it that way, we're not sure what issues need to be fixed. But here, without knowing how we're going to proceed forward, you're basically going to upend that 40 years of, basically, certainty that both the Agency had, along with the regulating community, and what they -- what they understood. And so basically by doing that you're going to have producers out there that are now uncertain about whether or not an action that they might take could be or will be covered underneath the Clean Water Act, which causes concerns and also, again, for the agency side, for DEQ, until we get that guidance from EPA, we're -- we're just uncertain. That uncertainty and that confusion basically, in my mind, breeds litigation, and it -- it breeds potential liability on behalf of those producers. Because if they go out and take an action that is

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then, you know, after the fact determined to be the waters of the U.S., again, they can be exposed to fines and potential criminal penalties. And so when you have that situation of uncertainty along with the potential of fines and, you know, jail time, you're going to get to a point where there's going to have to be litigation on this between producers and the agencies that are enforcing these -- these laws.

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SENATOR FISCHER: For the benefit of the public here, if you could explain the holdings in those two Supreme Court cases that both of us mentioned in our statements about confirming the limits of the federal government's authority over water that Nebraska -- or that Congress has established in the Clean Water Act, if you could go into a little detail on those two cases, I'd appreciate it.

 $$\operatorname{MR.}$$ LAVENE: I will. And I'll kind of maybe put them together.

SENATOR FISCHER: Okay.

MR. LAVENE: They're pretty substantial.

But the SWANCC case, or the earlier case in the

State of Illinois, was against the Army Corps of

Engineers. And both SWANCC and Rapanos basically

dealt with bodies of water. In one case a pond, and in another case a series of wetlands. that these bodies of water are -- were adjacent to non-navigable tributaries. So they were not directly connected to a "water of the U.S." under the current definition, if you will. In the SWANCC case the entities that actually wanted to do a dredge and fill went to the Corps and asked whether or not they needed to have a 404 permit. The answer was no. Until it was later determined that some birds were flying overhead and landing on the pond and using it like a natural habitat. And because they were migratory birds, the Corps then felt that that was something that affected interstate commerce. And because it affected interstate commerce, the Agency felt that it would be determined to be waters of the U.S., which would be then subject to the Clean Water Act jurisdiction and requirements of a 404 permit. In that case you basically had a decision that the Court said, that's way too tenuous of a line to draw between an interstate commerce for migratory birds and a body of water that does not meet a navigable stream. And so that was one

limitation on the federal government in SWANCC.

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The other one, in Rapanos, there are actually two opinions that came out, the plurality opinion and an opinion by Justice Kennedy. Both of these were dealing with the secondary water issues definitions. The two opinions kind of had a different viewpoint on how they should analyze it. However, they both came to the conclusion that these wetlands should not be considered waters of the U.S. and there's a limit on that jurisdiction by the federal government. The plurality opinion in that case basically stated that these secondary waters with these wetlands, that there needed to be some continuous surface water connection to a permanent water. And so you had to have a strong connection, a permanent connection to a navigable water. Justice Kennedy took a little different tack to it. But he basically came out and said, look, there at least has to be a significant nexus from the secondary water to an in fact navigable water. And when he was going through that -- that ruling, or his decision in that, you know, if someone would look at that as a hydrologic connection, but it had to be more than a hydrologic connection, it had to be something that really dealt with the science or biological or

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chemical makeup of the wetland affecting that navigable water.

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And so both of those cases, what they did was truly limit the scope of the agency in the jurisdictional waters of the U.S. by saying, if there's not a connection then it's not going to be underneath the purview of the federal government for a 404 permit.

SENATOR FISCHER: So let me ask you, in your legal opinion, do you think this proposal by the EPA and the Corps would adhere to or violate those Supreme Court decisions?

MR. LAVENE: Well, along the lines with some previous comments that the Attorney General of the State of Nebraska, along with a couple other Attorney Generals sent for comments on this, we feel that the rule does violate the previous decisions of the Supreme Court in limiting that jurisdiction. And the reason for that really comes down to is, we have a situation, as I explained before, is -- is you're having a definition that now is going to have a per se expansion of and categorical jurisdiction over these lands and these waters. If it's in a tributary area with an adjacent water, that could

be neighboring, in a repairing area or a floodplain area, if that is determined to be, as a fact, a definitional term, it doesn't matter what connection that body of water actually has to a navigable water. It simply is per se determined to be waters of the U.S. And so what that does is basically strip away the analysis that the Supreme Court said you had to go through, and that is, in the one instance, to at least have a continuous surface water connection to that core water, or at least have a very significant nexus to the core water. We're not making that determination. We're simply making a per se determination that, with a wave of our hands, it's under the jurisdiction of the federal government. That's going to be the problem moving forward and why this appears to violate the Supreme Court rulings. SENATOR FISCHER: And I understand one of your roles in the Justice Department is to enforce the Clean Water Act. Do you know what the consequences are with the penalties in violation of that Act? Can you explain those, please? MR. LAVENE: I'll explain the state level a little bit clearer than probably the

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But in the State of Nebraska for -- for having a, basically a discharge into the stream or adding a pollutant to the stream without a permit, that can be either a Class IV felony or you could have fines up to \$10,000 per day. Under the federal -- federal penalties, depending on whether it's a known violation or the like, the fines per day could go anywhere from \$2500 up to \$50,000 per day. And there are also various criminal sanctions that -- if you're polluting the streams. And so, as I kind of stated before, those are pretty big fines, penalties, and possibly criminal sanctions that could be imposed against an individual if they're violating this act. SENATOR FISCHER: Okay. And, in your opinion, do you think this proposed rule is going to, I guess, offer any additional protections to water quality? MR. LAVENE: As I've stated before, I think the Department of Environmental Quality in the State of Nebraska, with its 40 years of history of implementing these federal programs and the Clean Water Act, I think they've done a

wonderful job. Without having further guidance

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and information from the federal government on how
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    they're going to interpret this new rule, it
   really -- it's really hard, if not impossible, to
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   determine what benefits would come out of it.
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               SENATOR FISCHER:
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                                Okay. So let me see
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    if I have this correct from everything you said.
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   We have a proposed rule that's going to infringe
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   on the state's authority to protect and manage our
   water resources; it will disrupt the successful
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   operation and certainty of our state-run programs;
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    it will create administrative burdens for our
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   Nebraska Department of Environmental Quality; it
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   will increase litigation and liability exposure
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    for our people and businesses; it will violate
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    Supreme Court rulings on the limits of federal
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   authority under the Clean Water Act; and you don't
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   believe that there would be meaningful benefits to
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   this in the end? Did I sum you up pretty well
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              MR. LAVENE:
                            I'd say that's a pretty
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   good summary, yes.
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               SENATOR FISCHER:
                                Okay. Good.
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          I thank you for your testimony before the
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   Committee, Mr. Lavene, and appreciate you taking
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   time to be with us today. Thank you.
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Thank you, Senator Fischer. 1 MR. LAVENE: 2 SENATOR FISCHER: With that, I would ask 3 that our second panel please come up. 4 (Short break taken accordingly -- 10:35 a.m.) 5 6 SENATOR FISCHER: Well, I would like to 7 welcome the second panel to the table. There are 8 several excellent witnesses representing a very diverse group of stakeholders, and they can speak 9 10 more of the impacts of the proposed rule and what 11 that will have on citizens, businesses, counties, and livelihoods. 12 13 We are going to begin with Mary Ann Borgeson. 14 She is the Chair of the Douglas County 15 Board of Commissioners. Commissioner Borgeson is a native of Omaha and became the first 16 17 female to chair the Douglas County Board in 18 1997. In addition to serving as chair, 19 Commissioner Borgeson serves on the Board of 2.0 Directors for both the Nebraska Association of 21 Counties and the National Association of Counties. 22 She is currently the president-elect for Women of 23 the National Association of Counties. 24 Commissioner, I am eager to hear how this 2.5 proposed rule will impact our counties and

communities. Please begin your testimony whenever you're ready.

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MS. BORGESON: Thank you,

Senator Fischer, for the opportunity to testify on
the "Waters of the United States" proposed rule
and the potential impact on county governments.

For the record, I have submitted a narrative of my testimony that includes additional information.

On a National level, the National Association of Counties, or NACo, has urged the federal agencies to withdraw the proposed rule until further analysis of its potential impacts has been completed. Douglas County concurs with that recommendation.

Clean water is essential to all our nation's counties. The availability of an adequate supply of clean water is vital to our nation, and integrated and cooperative programs at all levels of government are necessary to protecting water quality.

Douglas County is a "Phase II" community under the National Pollutant Discharge Elimination System, or NPDES, the section of the Clean Water Act. A major emphasis of the County's Stormwater

Management Plan is to improve water quality by reducing stormwater runoff volumes. This approach is lockstep with EPA's push to implement "green infrastructure" as a key strategy to improve our nation's overall water quality. Simply put, green infrastructure can have a significant positive benefit for water quality, and with this being an EPA priority, it is essential that the proposed "Waters of the U.S." rule be supportive, and not contradictory to, the continued implementation of green infrastructure across the country. Put another way, if the "Waters of the U.S." rule negatively impacts the implementation of green infrastructure, it will mean more taxpayer dollars being wasted on process rather than being directly spent on water quality improvements.

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Counties own and maintain a wide variety of infrastructure that is impacted by the current regulations and that would be further impacted by the proposed rule.

Projects we are working on already significantly impacted by the current regulations are given the lack of clarity in the proposed rule. We anticipate additional negative impacts.

One of our current projects is a prime example of how cumbersome and expensive the for bidding process is, and the costly delays are largely due to the inconsistencies in the application of the rules and the lack of definitions. Our 180th Street project will improve the section line roads from the Old Lincoln Highway to West Maple Road. Besides providing easier access to new developing areas, it will relieve the traffic -- it will relieve the traffic load on Old Lincoln Highway, which is on the National Registry, and on the section line road. The immediate area is currently being passed over for most development due to a lack of access to major roads -roadways, including the Expressway to the south. The project includes two 900-foot bridges over railroad tracks and a flowing creek and two other bridges over an unnamed tributary. The initial environmental permitting process for these bridges went relatively smoothly and involved a Categorical Exclusion, the lowest level of environmental involvement. The process began in 2002, with the construction originally scheduled for 2010. Design and permitting work began in 2005. But the environmental documents are still

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not signed. The newest projected construction date is now 2018 because of these delays.

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The reason for the delays is a small county road ditch which is several feet deep and wide and full of weeds and grasses with a rut at the bottom approximately eight inches wide and an inch deep.

There is no ordinary, quote, high -- quote,

Ordinary High Water Mark, unquote, associated with this rut because when it rains it is completely under water. However, the Corps of Engineers has declared this rut a "water of the U.S.," prompting a redesign of the project costing the County hundreds of thousands of dollars in delaying this project.

An additional concern is storm water clean-up. We deal with disasters such as flooding and wind storms regularly, and these types of storms impact many ditches, culverts, and tributaries. Trying to get permits is already a problem in these situations. Our country has made tremendous strides in improving water quality since the inception of the Clean Water Act, but if the process is not clarified and streamlined, more counties will experience delays in safeguarding and caring for infrastructure and expend

substantial dollars in doing so. Dollars that could instead be spent on direct improvement of water quality.

To reiterate my prior point, I ask that the proposed rule be withdrawn until further analysis and consultation with state and local representatives have been completed.

Again, I thank you for the opportunity to testify on the proposed "Waters of the U.S." rule, and I do welcome the opportunity to address any questions you may have later.

SENATOR FISCHER: Thank you, Commissioner.

Next I would like to welcome Mrs. Barb

Cooksley, the president-elect of the Nebraska

Cattlemen. Barb and her family raise cattle on
their ranch near Anselmo, Nebraska where they
pride themselves on being good stewards of the
land and water resources. I'm looking forward to
Barb's testimony which will offer great insight on
how the proposed "Waters of the U.S." rule will
affect this very special Nebraska way of life.

Barb, please begin your testimony

MS. COOKSLEY: Thank you, Senator.

Good morning. My name is Barb Cooksley. My

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family raises cattle on our ranch near Anselmo,
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              I am president-elect of Nebraska
   Nebraska.
   Cattlemen, and thank you for allowing me to
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    testify today on the impacts of the Environmental
    Protection Agency and the Army Corps of Engineers'
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   proposed rule on the "waters of the United
   States." I'm here today representing Nebraska
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   Cattlemen's 3,000 plus members but I'm also happy
   to lend my voice to nearly 50,000 ag producers in
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   Nebraska. In addition to my service to Nebraska
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   Cattlemen, I currently serve on several
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   environmental boards and committees for the areas
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   and state. Land stewardship has been my family's
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   priority for generations.
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          First and foremost, I want to thank you for
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   your interest in this issue and for continuing to
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   be engaged, because EPA intends to finalize the
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   WOTUS rule by sometime this year. I'm also
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    thankful Congress included language in the omnibus
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   package that led to the withdrawal of EPA's
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    Interpretive Rule. That rule was problematic and
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   did not provide clarity or certainty for
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   agriculture.
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          Animal ag producers pride themselves on
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   being good stewards of our country's natural
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resources. We maintain open spaces, healthy rangelands, provide wildlife habitat while working to feed the world. But to provide all these important functions, we must be able to operate without excessive federal burdens like the one we're discussing today. As a beef producer, I can tell you after reading the proposed rule it has the potential to impact every aspect of our family's operation and others like it by regulating potentially every water feature on my What's worse is the ambiguity in the proposed rule that makes it difficult, if not impossible, to determine just how much our family ranch will be affected. This ambiguity places all landowners in a position of uncertainty and inequity. Because of this, I ask the EPA and Army Corp of Engineers to withdraw the proposed rule and sit down with farmers and ranchers to discuss our concerns and viable solutions before any additional action. I would like to use my time here this morning to show you why this rule is problematic

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for operations like mine and show you some pictures to help color the issues.

Welcome to just outside Anselmo, Nebraska.

In this picture you will see the home place for our ranching operation. There are several homes on this site since we operate the ranch alongside two additional generations of family members. Our ranch sits in the pristine Nebraska Sandhills. The Sandhills are a unique ecosystem of mixed-grass prairie that has grown on top of stabilized sand dunes. We use cattle to manage this land to ensure this unique ecosystem is protected and maintained rather than deteriorating and literally blowing away

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This is an aerial photo that's been zoomed out slightly. What look like waves are actually the rolling hills of sand dunes, natural depressions, draws, and dry ruts that may have water in them seasonally. What you cannot see is the unique feature of the Sandhills which is its close connection to groundwater supplies. This close connection makes it possible for grass to be grown on top of the sand dunes. And at times ponds can literally spring up in these depressions of the Sandhills out of nowhere because of this connection. However, within a matter of months, and perhaps for several years, the water may be gone again. As you can see, currently there is no

water here. But the question is, is that dried up natural depression a WOTUS? Are my seasonally flowing draws an ephemeral stream? There's no water in the draw, but the proposed rule suggests these features could be jurisdictional. If so, will I be required to obtain a permit to conduct daily activities across my entire property, such as building a fence or moving cattle from pasture to pasture?

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Here's a pond with water in it and one without. This water occurs naturally. Cattle and wildlife utilize this water. And producers want to be able to allow cattle to use this naturally-occurring water body. If this pond is jurisdictional under the WOTUS rule, would cattle or wildlife waste in the water constitute a discharge that I would need a permit for? It may sound silly to say that but in my interpretation, and many others' interpretations, it suggests just that.

Here's a photo of the same ponds where you can see they are near an eroded channel that runs to the Middle Loop River. At times, water does run off into this channel. Here's where it gets put all together and see how the proposed rule

expands federal jurisdiction. In the top right corner is the Middle Loop River. This river is an interstate water and falls under federal jurisdiction. That's uncontested. Now just to the left, the eroded channel, the beige squiggly line, now it's questionable whether this channel would have been considered federal water prior to the WOTUS rule. But now will most likely be deemed a tributary that meets the definition of a WOTUS. And under the proposed rule, every water body adjacent to a tributary is a WOTUS too. appears to me they would be federal waters under the proposed rule. If they are indeed "Waters of the U.S., " I will need permits to conduct everyday account activities through those waters. Permits that will cost my family time and money. We will continue to do our part for the environment but this ambiguous and expansive proposed rule does not help us achieve that.

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We look forward to working with the Environment and Public Works Committee to insure we have the ability to do what we do best, produce the world's safest, most nutritional, abundant and afford able protein, while giving the consumers the choice they deserve. Together we can sustain

our country's excellence and prosperity and insure 1 2 the viability of our way of life for future 3 generations. I appreciate the opportunity to visit with 4 5 you today. Thank you.

SENATOR FISCHER: Thank you very much, Barb, for providing that perspective on the agricultural industry.

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Next we have Mr. Donald Wisnieski. president of the Nebraska State Home Builders Association. A native of Norfolk, Don is the owner of Wisnieski Construction which has served the Norfolk community since 1986, primarily focusing on custom home building.

Don, you are to be commended for your community service and operating that successful small business for almost three decades. you're ready, please begin your testimony

MR. WISNIESKI: Thank you.

Senator Fischer, thank you for the opportunity to testify today.

As stated, my name is Don Wisnieski. the president of Wisnieski Construction located in Norfolk. I also serve as the 2015 President of the Nebraska State Home Builders Association.

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Home builders have been an advocate for the Clean Water Act since its inception. We have a responsibility to protect the environment. And it is a responsibility I know well because I must often obtain permits for building projects. When it comes to federal regulatory requirements, what I desire as a small business owner is a permitting process that is consistent, timely, and focused on protecting true aquatic resources.

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Landowners have been frustrated with the continued uncertainty over the scope of the Clean Water Act over waters of the United States. There is a need for additional clarity, and the administration recently proposed a rule intended to do just that. Unfortunately, that proposed rule falls short. There is no certainty under this proposal, just the expansion of federal authority. These changes will not even improve water quality, as the rule improperly encompasses waters that are already regulated at the state level. The rule would establish broader definitions of existing regulatory categories such as tributaries and regulates new areas that are not currently federally regulated, such as an adjacent non-wetlands, repairing areas,

floodplains, and other water areas. And these changes are far reaching, affecting all Clean Water Act programs but no -- but provides no additional protections for most of these areas already comfortably resting under the state and local authorities.

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I'm also concerned that the terms are overly broad, giving the agencies broad authority to interpret them. I need to know the rules. can't play a guessing game of, is it jurisdictional. We don't need a set of new vague and convoluted definitions. Under the Clean Water Act, Congress intended to create a partnership between federal agencies and the state governments to protect our nation's water resources. There is a point where federal authority ends and the state authority begins. And the Supreme Court has twice affirmed that the Clean Water Act places limits on federal authority over waters. And the states do regulate the waters under their jurisdiction. Nebraska takes its responsibilities to protect its natural resources seriously.

If you look around the country, you'll find that many of the states are protecting their natural resources more aggressively since the

passage of the Clean Water Act in 1972.

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The proposed rule will have significant impacts on my business. Construction projects rely on efficient, timely, and consistent permitting procedures and review processes under the Clean Water Act programs. An onerous permitting process could delay projects which leads to greater risk and higher costs. Also, more federal permitting actions will trigger additional statutory reviews by outside agencies under laws including the Endangered Species Acts, the National Historic Prevention Act, the National Environmental Policy Act. It's doubtful that these agencies will have the equipment to handle these inflow of additional permitting requests.

I am uncertain of what the environmental benefits are gained by this paperwork. But I am certain of the massive delays of permittings that will result. The cost of obtaining Clean Water Act permits range from close to 29,000 all the way up to close to \$272,000. Permitting delays will only increase these costs and prevent me from expanding my business and in hiring more employees.

The agencies have not considered the

unintended consequences of this rule. Under this proposed rule, Low Impact Development stormwater controls could be federally jurisdictional. Many of our builders voluntarily select LID controls, such as rain gardens and swells for the general benefit of our communities. This rule would discourage these voluntary projects if they require federal permits.

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This proposed rule does not add new protections for our nation's water resources, it just shifts the regulatory authority from the states to the federal government. The proposed rule is inconsistent with previous Supreme Court decision and expands the scope of waters to federally regulated beyond what Congress envisioned. Any final rule should be considered -- or consistent with the Supreme Court's decisions, provide understandable definitions, and preserve the partnership between all levels of government. All are sorely lacking here.

I want to thank you for the opportunity to testify. And I do look forward to any questions you may have, Senator. Thank you.

SENATOR FISCHER: Thank you, Don.

I would like to welcome Mr. John Crabtree.

Mr. Crabtree is the Media Director for the Center

of Rural Affairs which has accomplished

commendable work on rural development

opportunities throughout our state.

I would note that, as is customary for the Senate Environment and Public Works Committee hearings, we work in a bipartisan manner to select witnesses. And with ranking member Senator Barbara Boxer, our next two witnesses are Minority witnesses.

Mr. Crabtree, please begin your testimony when you are ready.

MR. CRABTREE: Thank you, Senator Fischer, and good morning.

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And, yes, I thank the members of the

Committee and the ranking members and the staff

for working with me to -- to invite me here. But

I thank you for inviting me here, too. I really

appreciate you bringing this hearing to Nebraska.

My name, as you said, is John Crabtree. I live and work in the Northeast Nebraska small town of Lyons, population 851. I'm testifying today on behalf of the Center for Rural Affairs where I work as Media Director and rural public policy

advocate.

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Since its founding in 1973, the Center's resisted the role of advocating for the interests of any particular group. Instead, we've chosen to advance a set of values, values that we believe reflect the best of rural and small town America. And we deeply believe that water quality is one of those -- that clean water is one of those rural values.

The need for this rule-making process arises out of the chaos, confusion and complexity surrounding Clean Water Act enforcement as a result of Supreme Court decisions in 2001 and 2006. The proposed rule focuses on reducing that confusion, and the Center for Rural Affairs is encouraged by the process so far. We encourage the EPA and the Army Corp of Engineers to continue moving this rule-making process forward.

It's worth clarifying that the Center is supportive of the formal rule making process as it's provided the opportunity to craft a stronger and more suitable rule through increased citizen input and engagement. While no proposed rule is perfect, we believe the rule-making process will improve this rule, which is why we provided

detailed and substantive comments to the EPA and Corps during the public commentary period. And we believe that an improved rule can and should reduce confusion and provide clarity for regulated entities, including ranchers and farmers, and ultimately improve the quality of the nation's waters for the hundreds of us who utilize and depend upon clean water from our rivers, lakes, and streams.

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Clean water is vital to farming and ranching and small towns. Water for livestock, irrigation, and other purposes is crucial to the day-to-day operations of farms and ranches. And farmers and ranchers are the tip of the spear when it comes to preserving water quality in America because much of the surface water of the U.S. falls first on American farms and ranches.

Streams and wetlands create economic opportunity in small town America through hunting, fishing, birding, recreation, tourism, farming, ranching and small manufacturing. Farmers, ranchers and America's small towns depend heavily on water and our neighbors downstream count on us to preserve the quality of that water for their use as well.

Now, despite the assertions that understate the economic benefit and vastly overstate the cost of implementing this proposed rule, the true cost of implementation is estimated to range from 160 to 278 million. And according to multiple econometric models, the estimated economic benefits of implementing the proposed rule range from 390 to 510 million, or likely double the costs.

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Clean water is crucial here in Nebraska too, of course. And vulnerable surface waters are prevalent in Nebraska. EPA estimates that 52 percent of Nebraska streams have no other streams flowing into them, and that 77 percent do not flow year-round. Under varying interpretations of the most recent Supreme Court decision, these smaller water bodies are among those for which the extent of Clean Water Act protections has been questioned.

EPA has also determined that 525,000 people in Nebraska receive some of their drinking water from areas containing these smaller streams and that at least 197 facilities located on such streams currently have permits under the Clean Water Act and other federal statutes regulating

pollution discharges. In addition, the Nebraska Game and Parks Commission has estimated that nearly 829,000 acres of wetlands in the state could be considered so-called isolated waters particularly vulnerable to losing those safeguards.

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The "Waters of the U.S." rule is the product -- excuse me, I'm sorry, I lost my place there.

Chief Justice Roberts has specifically said that rule-making would most likely be required to provide necessary clarification of Clean Water Act jurisdiction. This has been a rigorous rule-making process. EPA and the Army Corps has conducted extensive outreach to -- as I said, conducted extensive outreach and received close to one million public comments on the proposed rule, including from the Center of Rural Affairs and thousands of other organizations and hundreds and thousands of individuals. An estimated 87 percent of those comments support the rule.

The "Waters of the U.S." rule goes to great lengths to ensure that farmers and ranchers benefit from preserving water quality but are not overly burdened with the rule's implementation.

All the historical exclusions and exemptions for farming and ranching are preserved, including those for normal farming and ranching practices.

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And that means that dramatic rhetoric such as statements that farmers and ranchers will need a permit to move cattle across a wet field or stream are absolutely false. Likewise, public statements that farm ponds would -- by detractors is supported by the -- despite public statements to the contrary, farm ponds would continue to fall under the longstanding exemption for farm ponds in the Clean Water Act.

In the final analysis, streams that only flow seasonally or after rain have been protected by the Clean Water Act since it was enacted in 1972. As well they should be, since more than 60 percent of streams nationwide do not flow year-round, and yet those very same streams contribute to the drinking water for 117 million Americans.

Again, I want to thank you, Senator, for having this hearing and for inviting me here today.

Just my closing statement, my last comment, here in the west, we do understand that there's a

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lot of truth to the old joke, whiskey is for
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   drinking and water is for fighting. Water is
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    life, for people, crops, livestock, and wildlife
   as well as farms, ranches, business and industry.
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    It's in all our interest to protect this most
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   vital of our natural resources.
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         We believe the EPA and Army Corps of
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   Engineers should continue to listen to concerns,
   make substantive improvements to the rule, and
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    then move forward to finalization. Thank you.
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               SENATOR FISCHER: Thank you,
   Mr. Crabtree.
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          Next, Mr. Wesley Sheets will be a witness
   for the Minority as well. Wes is the Nebraska
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   National Director and served on the National
   Executive Board of the Izaak Walton League of
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   America. Mr. Sheets worked for 32 years for the
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   Nebraska Game and Parks Commission, and I thank
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   him for his service to Nebraska.
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         So welcome, Wes. And your testimony,
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   please.
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              MR. SHEETS: Thank you, Senator Fischer,
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   and members and staff of the Committee on
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   Environment and Public Works. I thank you for the
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   opportunity to provide comments here today.
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My name is Wes Sheets, and I do live here in Lincoln, Nebraska. I am testifying on behalf of the Izaak Walton League of America, which is one of the nation's oldest recreational and conservation organizations. The Izaak Walton League was formed back in 1922 by a group of outdoor specialists that were concerned with the water pollution impacting the health of our fish and wildlife and other natural resources. The founders of our organization understood that clean water and healthy wetlands are essential to robust populations of fish, and ducks, and other wildlife and, in turn -- aha -- and, in turn, to enjoyable and successful days in the field pursuing them.

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I am active in all levels of the

Izaak Walton League, as the treasurer of the local chapter, as the -- I'm the national director for Nebraska, and I recently became a member of the League's executive board. Today I'm representing our nearly 2,000 members here in Nebraska and our other 45,000 members across the nation. Our members are all from outdoor enthusiasts who hunt, fish, and participate in recreational shooting, boating, and many other outdoor activities.

My working career that Senator Fischer

alluded to, I spent 32 years with the Nebraska

Game and Parks Commission as a fisheries

biologist, aquatic scientist, and finally

finishing the career as the Agency Assistant

Director for fisheries, wildlife and law

enforcement. I was very privileged back in the

early '70s and mid '70s to participate as an

agency representative as the State of Nebraska

began the establishment of its first water quality

criteria standards under the newly-passed Nebraska

Environmental Protection Act.

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It was a treat to see Senator Smith here in the audience this morning, and I thank him for helping get that process started.

I do want to start by acknowledging the interests and concerns of all my colleagues who are testifying here in opposition to this rule. The Izaak Walton League has a long history of working with farmers and ranchers, as well as other industries, on solutions for the conservation issues and we pledge to continue to do so.

League members are members -- are farmers and ranchers, or they are employed by other industries represented here. And many of us come

from rural and agricultural communities. I myself grew up on a dairy farm down in our neighboring state to the south.

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We recognize the importance of clean water, as I hope everyone in this room also does. water is fundamentally essential to all life, from humans, to wildlife, to fish and plants. Congress has charged the Environmental Protection Agency with cleaning up America's waters and with keeping To state the obvious, water flows downstream and can carry sediment, nutrients, and other pollutants with it. There is no line in the watershed above which water and pollutants do not flow downstream, at least to my knowledge. landowners and businesses below some arbitrary line in the watershed of connected waters would be required to contribute to clean waters, while those above the arbitrary line could send sediments, nutrients and other articles downstream without concern for those impacts, those living upstream would certainly have an unfair and unnecessary economic advantage, I would submit.

This highlights the current confusion, and that is also why so many groups have asked the agencies for a clarifying ruling. Science is

irrefutable that watershed waters are considered in the rules that are connected. All waters are important, and that includes the ephemeral waters that do not flow all year long perhaps. The rule is important to Nebraskans for very many reasons, not the least of which is the maintenance of fisheries and wildlife habitat, flooding mitigation, water-based recreation, industrial need, and many more life needs. Drinking water tops the many lists. And John just recounted some of the statistics that I wanted to use about how many folks depend on our stream water supplies for their drinking water.

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Clean water is exactly the type of issue where a federal rule makes particular sense. The vast majority of U.S. waters are part of an interstate network that drains to one of the oceans. What we put into upstream Nebraska waters affects not only Nebraskans but it does affect the hunting and fishing opportunities of people all the way down to Louisiana and into the Gulf of Mexico.

The muddying and pollution of waters directly hurts hunting and fishing and all of the businesses that benefit from them. Approximately

47 million hunters and anglers in Nebraska generate over \$200 billion in economic activity each year. The rule needs to seek to clarify which waters are covered in this endeavor, and making the process more efficient and effective, and it is a better way to address the concerns about how the Clean Water Act is applied.

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Nebraskans care as much about clean water and their downstream neighbors as anyone else in the country, and we care just as much about our traditions of fishing and hunting and depend on clean water.

Please give the agencies a chance to present a final rule.

And I thank you for the opportunity, Senator, for being present here today.

SENATOR FISCHER: Thank you, Wes. Good to see you.

Finally, I'm pleased to welcome our last witness, Mr. Don Blankenau. Mr. Blankenau is a water and natural resources attorney whose impressive career has enabled him to become a nationally recognized water policy expert.

Before we hear from Mr. Blankenau, I would tell you that I'm entering into today's hearing

record comments he filed on behalf of the Nebraska Association of Resource Districts, Nebraska League of Municipalities, and the Nebraska Groundwater Management Coalition.

Mr. Blankenau, thank you for testifying. You may begin when ready.

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MR. BLANKENAU: Thank you, Senator.

Members of the Committee and staff, we appreciate the opportunity to testify this morning.

Again, my name is Don Blankenau, and I am an attorney based in Lincoln, Nebraska specializing in water and natural resources law. My practice has allowed me to engage in water cases in the states of Nebraska, Arizona, North Dakota, South Dakota, Missouri, Georgia, Florida and Alabama. I appear here today to offer my thoughts regarding the proposed rule. My colleague, Vanessa Silke, and I have previously filed formal comments on behalf of this rule regarding compliance to include the Nebraska Groundwater Management Coalition, the Nebraska Association of Resources Districts, the League of Nebraska Municipalities, and the Tri-Basin Natural Resources District and the Lyman-Richey

Corporation with the sand and gravel mining operation. As you've noted, Senator, those comments are included in the record today, but I'll offer some additional comments.

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I'd like to begin with a brief anecdote that I think highlights the philosophical perspective of the federal proponents of this rule. Some four years ago I was at a meeting with the -- with an employee of the Army Corps of Engineers when we began a discussion concerning groundwater management. To my surprise, this employee stated that it was time for the federal government to assert more control over groundwater. I responded to that statement with the observation that the United States Supreme Court in a Nebraska case, Sporhase versus Nebraska, ex rel. Douglas, in 1982, had determined that groundwater was an article of interstate commerce within the meaning of the Constitution. And I went on to explain that as an article of interstate commerce, any increased federal control was the sole purview of Congress and could not be undertaken by an agency absent expressed Congressional authorization. Corps employee simply responded, we can do a lot with our rules, and if Congress won't act, we

will. The proposed rule I think is the product of that kind of thinking.

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Whether a rule is good policy is one question. Whether it's legal is another. And in my view, this proposed rule is neither. Article 1, Section 8, Clause 3 of the Constitution of the United States contains the "commerce clause" that authorizes Congress alone to make laws governing interstate commerce. Historically, it was the interstate trafficking of goods and services on the nation's interstate waters that served as the legal lynchpin to Congressional control over those waters. In other words, Congress only had the authority over navigable waters to the extent those waters served as conduits of commerce. It is in this context and under this authority that Congress adopted the Clean Water Act and expressly limited its reach to navigable waters. In the decades that have passed since its passage, the reach of the EPA and the Corps has broadened as those two agencies extended the definition of the term "navigable waters." Contrary to the assertions of its proponents, the proposed rule does not merely codify existing judicial interpretations of navigable waters, it

affirmatively extends and expands the meaning to create federal controls that go far beyond what Congress intended when it adopted the Clean Water Act.

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The proposed rule defines water as navigable if it has a hydrologic groundwater connection to a navigable stream. So while molecules of water in an excavation or pothole may be miles from a stream or decades from ever impacting that stream, the proposed rule defines them as navigable in place today. In Nebraska, the groundwater is commonly hydrologically connected to stream flow and can extend out many miles from the stream. The proposed rule would therefore impact many thousands of people more than the existing rule.

Existing permit requirements under the Clean Water Act already add a layer of federal regulatory oversight on top of the state-based regulatory scheme, and result in significant cost increases and overall delay in the development process. For example, due to limited staff support at the Corps' Omaha District Office, individual permits under Section 404 currently take up to 18 months to process. Permit costs typically range between \$25,000 and \$100,000,

accounting for legal, technical and logistical costs. Engaging the Corps in the permit application process is no guarantee that a permit will be granted. In those instances where a permit is denied, development of a property at its highest and best use is effectively precluded. These costs, along with the uncertainty of the permit approval process, will only increase under the proposed rule's expansion of the scope of federal jurisdiction and will directly impinge upon land-use decisions at the state and local level.

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Ultimately, the proposed rule stretches the definition of navigable waters beyond credibility. Which is evidenced by the nearly 1,000,000 negative comments that have been submitted. The truth is, and this is important, there is no water quality necessity that requires this kind of federal intervention. None at this time. There simply is no real problem this rule will solve. Instead, the rule is just another example of the ever-growing federal erosion of state authority and ever-expanding regulatory net.

I urge the Committee to take all necessary action to ensure the proposed rule does not become

law. Thank you.

2 SENATOR FISCHER: Thank you,

Mr. Blankenau.

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At the request of the Minority, I am entering the comments from the Sierra Club

Nebraska Chapter into our hearing record. And at the request of my partner in the United States

Senate, I am entering into the record a statement from Senator Ben Sasse.

I would like to thank all of the panel for your thoughtful testimony. It's clear that you and the groups that you represent all have a very strong appreciation for the importance of clean water, and strong, healthy communities here in State of Nebraska.

There are clearly some major issues with the proposed rule that would impact every corner of our state, and so I'd like to open up the first question to the entire panel.

In your view, how do we as Nebraskans best take care of our precious water resources and how will this proposed rule impact these important efforts? Is it a top down bureaucratic federal scheme? Is that -- is that a help or is that a hindrance?

And we'll start with Commissioner, please.

MS. BORGESON: Thank you, Senator.

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We protect our water resources by using the best construction practices and as -- as we develop our communities. And we use real water professional -- resource professionals to help us do that. The EPA and the Corps of Engineers have done a great deal of good to improve the water quality. In general, having an organization that can coordinate the clean-up of our waters and work together to establish this goal would seem to be a reasonable solution. But in speaking with our engineer staff, they believe that the original concept, when properly implemented, can -- can be of help. But, unfortunately, they believe that because of the inconsistencies in enforcement, and the lack of clear definition of what is expected, has become quite a hindrance. The problem that's developed is that many of the individuals within the program seem to have forgotten that this is a combined effort of all those involved to improve and protect one of our most valuable resources. And so there has to be consistency in the way the rule is administered, and that it has to start with the clear and accurate definitions that are

interpreted by the regulators in a consistent manner.

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A top down bureaucratic federal scheme would work best if the rule -- or regulation is written in a way to incentivize communities rather than punish them. And then we -- you know, if we're spending all of our resources on process, we're spending less on -- and directly, on things that would impact and improving the water quality.

SENATOR FISCHER: Thank you.

Miss Cooksley, your thoughts, please?

MS. COOKSLEY: Thank you. I'd like to answer that last question first, would it be a help or a hindrance. In my view, it would a hindrance to have a federal top down. And the reason being, as a private landowner, I am on the land every day. I depend on that land to be managed properly to sustain the -- the grass on the sand dunes which provides wildlife habitat and food for the cattle. Our family has been on that ranch for over a hundred years. Having local management makes more sense. We see impacts more immediately and we can address those. And we would like to see going forward that we develop relationships with our agencies and that they

provide incentives, not regulations, and that they 1 2 provide information, not burdens. And so I would 3 like to keep local management. Thank you. SENATOR FISCHER: 4 Mr. Wisnieski? 5 MR. WISNIESKI: There's essentially a 6 7 system in place at this point with the Clean Water 8 Act and, as developers and builders, we're mostly voluntarily working on the state and local levels 10 with what that system is in place. So time and 11 money is not always of the essence on projects and 12 stuff like that. To raise costs and have more 13 regulations upon us is just such detriment. 14 25 percent of a new home to date is literally 15 regulatory costs. So we can't allow that to be 16 increased with more regulations. So it's simply, 17 leave the system in place as is. 18 SENATOR FISCHER: Thank you. 19 Mr. Crabtree? 2.0 MR. CRABTREE: Well, thank you, Senator. 21 I guess the first part of your question 22 is -- I'll take that first. Just about everybody 23 up here has mentioned the concern about the

uncertainty about jurisdiction in Clean Water Act

under the rule but, of course, there's much

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uncertainty that exists in Clean Water Act enforcement today that was created by the Supreme Court decisions that sort of put the system in find kind of a -- in a bit of flux. That uncertainty really does detract from our ability to effectively enforce the Act and protect the "Waters of the U.S." So, you know, my testimony I mentioned, just to reiterate, the Supreme Court, including Chief Justice, have said we're probably going to need rule-making to clear up these jurisdictional definitions. I, and I must say, continuing to have dialogues like this on what's vitally important because I don't believe that any one person or any one agency is going to absolutely get this right. We don't believe the rule is perfect in its drafting. had critical comments and supportive comments. But we are in a situation of great uncertainty today in enforcing the Clean Water Act. And so rule-making that clears up those jurisdictional questions is necessary. It's not simply a matter of the status quo, because that was -- the status quo that existed for 20 or 30 years has largely been absent for the last ten because of those Supreme Court decisions. And as far as, you

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know, how do we best do this, I think we draw on the things that we do best. We talk to each other, even when we disagree. The Center for Rural Affairs has had a long history of working with farmers and ranchers and conservation programs, federal and state conservation programs, to help people -- to help provide incentives for people to do things that improve water quality without a regulatory process. But, again, through conservation and stewardship. That's what we do I think best, and that's why the rule, I think, is supportable in that it creates all the -- it reenforces all the exemptions that exist for farming in the Act previously.

SENATOR FISCHER: Thank you.

Mr. Sheets?

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MR. SHEETS: Thank you, Senator.

Obviously, the folks that I represent are basically users of water, and water quality is very important. We've all talked about the confusion of the existing situation and I think that's the nemesis of what we face. The best solution to me is not to border on a top down or a bottom up answer to this dilemma. I think it really borders on working together in a compromise

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to find an immediate solution where probably
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    everybody is a bit upset but we all win in the
    final analysis. So, you know, I think
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    organizations need the opportunity to voice their
    opinions. I think the regulators need to develop
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   pertinent and intelligent responses to those
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    comments, and in final analysis maybe will come to
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    a better understanding of what it is we want to
    accomplish and how we're going to get there.
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    The process needs to continue on and -- no
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    question in my mind.
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               SENATOR FISCHER:
                                 Thank you.
          And Mr. Blankenau?
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               MR. BLANKENAU: Thank you, Senator.
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          You know, frankly, my testimony in
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    opposition to this rule here today is against my
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   personal interests because as a lawyer I can
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   quarantee you I will make money if this rule
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   passes.
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          I think it's always bad policy if a state or
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    federal agency by rule usurps the role of the
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    legislature. That's what's occurring here.
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    legislature specified that the waters that are to
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   be impacted are those that are, in fact,
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   navigable. The geographic extent that this rule
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will reach out is so significant that only the legislature should step in and deal with that kind of expansion. So I do think it is bad policy in this instance, and I do think it's illegal, and clearly against the Constitution.

And I would go back to some previous statements. I'm sure everyone in this rooms believes that it's important that we maintain clean water. That's not really what's at issue with this rule. There are no present water quality concerns that this rule will address. This is rather about control of the individuals and development. And I would urge the Committee to do what they can to quell this rule.

SENATOR FISCHER: Thank you,

16 Mr. Blankenau.

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Commissioner Borgeson, I have a few questions for you, please.

In your testimony you spoke about the efforts in Omaha to address the combined sewer overflows to improve the water quality of the Missouri River. And that is going to be a very expensive undertaking. I think it's estimated to cost the citizens approximately \$2 billion. Omaha is going to -- increasing their rates. I've heard

about that, as I'm sure you have as well. And that's a, really a burden on families and especially some of the poorest communities within the City of Omaha. I understand that green solutions are being proposed as part of that solution to the challenge, but this proposed rule that we're talking about right now, it's really a potential threat, I think, to the government's ability to maintain those facilities in the future without having to go through this permitting program that we're talking about. Do you agree with that? Can you kind of speak to that problem that Omaha may be facing when it looks at green solutions to such a costly problem that they're facing and their citizens are being -- are having to pay for? MS. BORGESON: Yes. The one project in Douglas County, Omaha is the example of one of our combined elementary schools. The name is Saddlebrook, and it's an elementary school, it's a library, and it's a community center, and it has a And it catches all of the rain and it green roof. keeps it from getting diverted onto the parking

lots and then into the storm sewers. And then it

adds a great deal of insulation to the building as

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well. Pretty -- pretty neat project. But no one knows for certain what the possible consequences are of the new rules and how that -- they will affect projects such as these. The Board could claim jurisdiction over these green solutions. So the concern of the new regulations is if these special permits are required for some of these things, what will it cost, what will the length be between the time that, you know, were intended to do the construction and actually getting the permit, and what other controls on the surrounding project will the permit want to exert. So, you know, again, it's essential that the proposed WOTUS rule does not negatively impact the use of green infrastructure, both from the installation and the ongoing maintenance on a standpoint of the project.

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SENATOR FISCHER: You know, I hear from citizens, I hear from business people, I hear from government, local government, state government, about frustrations with regulations that the federal government mandates and is passed down and that we all then have to deal with. But I can tell you, the example you gave about 180th Street in your testimony, that has to be at the top of my

list on really frustration that's out there and the time involved and the cost that's involved. How exactly do you think this proposed rule is going to further exacerbate that problem? MS. BORGESON: Well, first of all, 6 the -- I want to compliment you on the 7 Build Nebraska Act, the LB 84, because it's been 8 an absolute tremendous help to both the state and the local and funding projects to improve the 9 10 transportation needs. And we are very, very 11 appreciative of that. 12 But the major problem is the rules are not 13 applied consistently. Primarily the lack of insufficient definition, use of terminology and, 15 of course, you run into different personalities. 16 The term that -- terms that are already a problem 17 are still not clearly defined in the new rules. 18 Plus, the new terms are being added that obviously 19 extend the control of EPA and the Corps of 20 Engineers over both government right-of-way but

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farther and farther into private land. And so the 80th Street -- 180th Street project is a great example, you know, of both ends of the cooperation spectrum. The -- our engineer's office met

informally with the Corps of Engineers, the

primary enforcers of the Clean Water Act, to discuss the project. And at that meaning the Corps would not give any formal opinion but did take suggestions about the bridge design and the location of the two major bridges that would be acceptable so that we could avoid some problems with an active stream. Well, these suggestions were incorporated into our original design, but as the design work continued we suddenly started to have problems with that rut at the bottom of the ditch that, again, was eight inches long and an inch deep. And so the latest construction date that we have is 2018, or fiscal year 2019, and the original start date, again, was 2010, and it was at a cost of about \$20 million. So just to put it in perspective, assuming that a three percent increase in construction costs per year, and a 30 percent cost increase due to required changes, that have nothing to do with the primary "Waters of the U.S.," or the historical highway that's -that it's going over, the project and the time value money on the increased cost is now estimated to be a minimum of \$36 million. And that's -- and a large of it is paid for by -- a large percentage is paid for by the federal highway. But it's all

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taxpayer money. And so, of course, you know,
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   we're -- we're affected by it, so...
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               SENATOR FISCHER: You know, when you
    talk about the regulations that counties are
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    under, cities are under, you spoke in your
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    testimony about once that a project is deemed to
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   be under federal jurisdiction then other federal
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    requirements kick in as well with NEPA, the
   National Environmental Policy Act, with, of
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    course, endangered species, has an affect on that
    as well. I would assume then that adds additional
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    time, additional cost to taxpayers, is that -- is
    that correct?
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              MS. BORGESON: Yes, it does. I mean, it
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   means, again, a lot more time and a lot more
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    additional paperwork and expense. And a good
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    example, again, is the 180th Street project
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   because that --
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               SENATOR FISCHER: That's like the poster
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    child.
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              MS. BORGESON: Yeah. Because the
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    state -- well, the State Historical Society
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    insisted that our initial plan for the two
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    900-foot bridges that span the Old Lincoln
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   Highway -- and, again, that's a piece of the
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national historic highway, and we're very proud of that, but that -- and we have spent hundreds and thousands of dollars to maintain that because of its historical value, but -- and the West Papio Creek and the railroad tracks, they insisted that those be changed to include an historical consistent design to go along the Old Lincoln Highway. So, in simple terms, for a county this means additional time, additional expense, is added to each one of these projects and -- and more so just even in -- a big concern is even in our routine maintenance that may fall under these federal jurisdictions just because the water may drain through county ditches into waterways. So we're very, very concerned about that.

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SENATOR FISCHER: As I think all counties are. I don't remember my exact numbers on this, but we look at the state highway system and the thousands of miles of road, well, here in Nebraska we have about ten times, I think, the county roads that have to be maintained as well. So I can appreciate the cost to citizens in this state to maintain the production and the problems they're going to be facing now in the future.

MS. BORGESON: Absolutely.

SENATOR FISCHER: And so thank you very much.

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Ms. Cooksley, I wanted to ask you a question, and if you could kind of clear something up. You know, a lot of times what we hear the most about this proposed rule and the idea that EPA and the Corps now would be regulating ditches under that proposed rule. And some agencies are saying, well, that's not true, ditches are going to be exempted. But I continue to hear, really, uncertainty and some certainty that those ditches are going to be included under the rule. Can you address that for us?

MS. COOKSLEY: I will try.

The rule does say that ditches are exempt.

But it's very vague to us that read it. It

excludes ditches that are excavated wholly on

uplands, drain only uplands, and have less than

perennial flow. When I go up on an upland, to me

that's higher than lower ground. That ditch also

had to occur through water, a perennial flow. The

term "upland" was not defined further, so we're

still in a fog on what does that mean. It does

not exempt ditches that do not contribute flow

either directly or through another water to

navigable waters or tributaries. And to qualify for an exclusion a ditch must contribute zero flow to navigable water tributaries. And since most ditches that I know of convey water somewhere indirectly or directly to minor tributaries, it has no benefit. It muddies the water, so to speak, to us trying to understand and work within this rule.

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SENATOR FISCHER: What about floodplains and regulation of floodplains, do you have thoughts on how this proposed rule would affect that?

MS. COOKSLEY: The proposal would make everything within the floodplain and a repairing area a federal water by considering that adjacent waters. And it fails to define how far a repairing area goes, which is the area around the water body. It doesn't distinguish flood intervals. And perhaps the most concerning to me is the rule says, best professional judgment by regulators to be used on a case-by-case basis. That allows me no flexibility to plan. How can I get ready for this? How do I manage this? So, again, we're back to the uncertainty.

SENATOR FISCHER: And I know that you

and your family have a wonderful history of conservation and in taking care of your land and using those best management practices. How do you think -- how do you think you're going to be affected when you try to follow the state-approved best management practices that truly affect the environment that you live in if this rule takes effect as it's proposing?

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MS. COOKSLEY: If it takes away the certainty from the state in managing the waters, and I have used their guidelines, then that puts me, as a private landowner, as a land manager, at risk. Such as Mr. Blankenau had said, if their -- if the state authority is taken away, then, again, I am uncertain as to what I can and cannot do. And I am out there trying to do the right thing every day.

mentioning uncertainty. And I guess I would ask you, how do you define that? What do you mean by uncertainty with this rule, and what kind of impact does this uncertainty that you talk about, what impact does that have on your planning and on your management? I guess I want to dive down a little deeper there into what you're saying.

MS. COOKSLEY: In ranching, a short-term goal may be five years. A long-term goal may be the next generation. So we're looking a long ways down. We do need certainty. We need to know, is this depression, pond, a wetland that appears, disappears? Is that going to be regulated by the federal government; will it not be? Will it be regulated by the state; will it not be? I have to be able to plan management of that native Sandhills grass for the long term, which is into the next generation. So we need clear definitions and clear guidelines. And it gets back to certainty.

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SENATOR FISCHER: Thank you.

Don, I've got a couple questions for you as a home builder. You know, that's an American dream for people to be able to own their own home. I've -- I truly was shocked to hear when you said that 25 percent of the cost of a home is because of regulation. That just delays, I think, the American dream for our citizens.

When you look at those permitting delays, how does that affect you as a builder

MR. WISNIESKI: Well, as the saying goes, time is money. Things have to move along

pretty good. You know, if you go -- if you're working with a bank for loans, those are typically going to start happening within a six-month period. If you have a Clean Water Act wetland permit or something like that that is proposed it's supposed to be in a timely manner. So you -we rely on that to be on a timely manner. And too many times this takes months or even years for that to be processed and get done. There was a 2002 study that was cited by the EPA in its economic analysis that the proposed rule found that an individual Clean Water Act wetland permit takes an average, now this is an average, of 788 days. That years. That's a long time. And a so-called stream wide, nationwide permit can take an average 313 days. Very close to a year. And without proper -- as a developer or builder, without the proper permits in place, or not knowing if you have those all -- those permits all in place, it's a great risk of running of fines, that we're aware of, up to \$37,500 in a day, so... And keeping in mind, the bank's continually knocking. So that has to -- that has to keep going.

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25 The big fear is, in a lot of communities

across the state, with shortage of housing, shortage of builders, work force, developers, the big fear is too many of those individuals are going to throw their hands up in the air and say, I don't need to deal with it. It compounds the problem that we're already facing. We can't go that direction. It needs to be streamlined. It needs to be timely. It needs to be consistent.

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So hopefully that answers that.

SENATOR FISCHER: It did.

And home builders, I know that sometimes you have to obtain those permits, Section 402 and 404, for you to complete your projects. What exactly are those and what do you have to follow in order to have those permits included?

MR. WISNIESKI: The matrix behind each one of those is very difficult in its own way. In essence, the 402 is basically storm water related; the 404 is going to be your wetland related. Keep in mind, I'm a small businessman, I like to grab a hammer and build a house. I have to rely on the lawyers in the community to help with these type of issues.

MR. BLANKENAU: God bless you.

SENATOR FISCHER: Too --

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              MR. WISNIESKI: It's a money-making
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    issue.
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          But some of those things that are, you know,
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    involved with these are the pre-application
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    consultant -- consultation consulting with these
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    folks. There's individual permit applications
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    that have to be submitted; there's public
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   notifications; there's 15, 30-day public notice
    comments, and so on and so forth, that have to be
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   done; opportunity for public hearings; there's
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    Corps reviews; the public comments and evaluations
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    for the permit applications; and finally the
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   Corps' decision to make the permit, or issue it or
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   deny it. So there's -- the answer to that is
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    actually pretty long if we want to get into it.
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   would rather get you information on that.
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               SENATOR FISCHER:
                                 Okav.
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              MR. WISNIESKI: And provide that at a
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    later date because we could go on literally for an
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   hour on this. So if I could be allowed.
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               SENATOR FISCHER:
                                 Okav.
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              MR. WISNIESKI: I have a lot of
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    information that I'd love to get to you.
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               SENATOR FISCHER: Thank you. I look
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    forward to receiving that.
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Can you tell me, in your testimony you were talking about any waters or wetlands within a floodplain, that they could be subject to the Clean Water Act, their jurisdiction there. How does that affect home builders? I've -- I hear from people all across the state, mostly in the eastern part of the state though, that have really deep concerns about being in a floodplain and what's all involved in that. Can you give us a little information on that, please?

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MR. WISNIESKI: Yeah. Floodplain is vaguely defined and will result in unpredictable and inconsistent applications as far as the Act.

Do I need to get closer? Just holler at me next time.

A landowner's not able to look at a map and objectively know exactly the extent of those floodplains. That's probably the biggest problem. If you look at his property, at his or her property, and it's -- you've got to decide whether you want to even purchase that property because you don't know how far those extensions actually reach out. It's just difficult to know where those boundaries are. And it makes it difficult. Is that my responsibility; is it the homeowner's

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responsibility; the developer's responsibility?
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    So on and so forth. Or we have to wait for a
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   field inspector to come out in the -- and walk the
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   property and subjectively determine this is where
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    it's going to or not going to go. So it's a big
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    issue that way.
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               SENATOR FISCHER:
                                Okay. And we heard
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   the Commissioner talk about green projects and,
   you know, that's -- that's so important that we --
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    that we look at what's available and how we can
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   move to more green projects. And I know there's
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   some -- there's some states and localities that
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   require or encourage home builders to start
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   building more of the low-impact development, these
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   green projects that are out there. You heard the
   Commissioner's answer on some of the issues that
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    counties, cities, deal with. What about home
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   builders and, you know, people who want to move in
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    that direction and then when they're building a
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   home and what -- what are you faced with on that?
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              MR. WISNIESKI: Well, as I said
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   earlier --
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               SENATOR FISCHER: Or what do you think
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   you're going to be faced with?
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              MR. WISNIESKI: Well, it's more of a
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fear than anything. As I stated in the testimony, a lot of the developers or builders are voluntarily doing those type of deals, whether we put swales in, whether we put water gardens, or whatever you want to call them, in. But if a rain garden develops wetland plants or vegetation and soils and happens to fall within a floodplain or a nearby river or stream, and a landowner, he wants to do something with it, if he has to dredge those out or maintain them -- now, typically that's the backyards of a lot people -- you know, a lot of folks' homes -- not knowing what he can or can't do to that, and if you start to remove soils from there to maintain that, or pesticides for any kind of controls for whatever that might be, there's going to be a lot of fines or uncertainty what you can and can't do to those areas. We'll stop putting them in, and that's not what we want to We do want to control that. They serve a great purpose. And on a voluntary basis, or on a local level that or we work with state or local levels to do that, that's a great option and we want to keep doing those. We don't want to eliminate folks from doing those because they're going to have a hard time maintaining them.

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the length of time to get a permit to do that, now
they're over-silted or whatever the case might be.
So it's an issue.
           SENATOR FISCHER: Right. Thank you.
Thank you very much.
      Mr. Crabtree, you stated that 80 -- I think
I heard you correctly, that 87 percent of the
total comments support the proposed rule.
However, it's my understanding that the bulk of
these comments were not substantive and they did
not evaluate the content of the rule. In fact, as
Secretary Darcy stated publicly, out of the
comments that the agencies classify as
substantive, 58 percent of those oppose the rule.
Were you aware of Secretary Darcy's statements?
          MR. CRABTREE: Yes, Senator. Actually,
I think I had that in the written testimony that I
submitted to the Committee. And I apologize for
not emphasizing it.
      Yeah, I think you're right, I think that
that's probably the case. And, I mean, I think we
should also be careful because, for example, the
substantive comments that the Center for Rural
Affairs provided, which I was involved in
drafting, had multiple criticisms. But they were
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detailed and specific. And the overarching, you know, I don't know, tenor of it was that we -- we think that we're moving in the right direction. That they should continue. Now, I don't know how we would count that. I don't know if we're in 58 percent or the 42 percent. So I would assume that we're, you know, what they thought was appropriate. But, honestly, I can't tell you. So that -- I'm not -- I'm not dis -- I don't find that matter too disconcerting but it is worthy of wondering about. But I still believe, even though that -- because the difference between a substantive comment, a comment which they call substantive, which, you know, actually comments on a specific element of the rule, versus a statement by an individual citizen who says something that's not specifically detailed but says, I support this rule, I mean, I think there's still value in that too. So I think that 87 percent number is still pretty remarkable. Involves a lot of people in this country, said, we think doing this to protect water quality is important. SENATOR FISCHER: I think it's also important that we base public policy that will

affect the citizens of our state and the citizens

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of this country on fact and based on science. I always appreciate comments from constituents, but policy has to be based on fact.

So I am going to put Secretary Darcy, her letter that she sent to the House with those numbers in it into today's hearing record.

So thank you.

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Mr. Blankenau, in your comments you state that Section 404 permits can take up to 18 months to process by the Corps' Omaha District Office and the costs can range from 25,000 to a hundred thousand dollars. You know, this is a serious delay, and it's expensive. So we kind of brought it up earlier about what kind of activities are required under that permit. I'd like to know, too, what's going to be required under the proposed rule that you think. And that wait time then, is it going to be more than 18 months? know, I -- we always hear the horror stories about the permitting process and how long it takes. So what, I quess, what do you see for the future here?

MR. BLANKENAU: Well, if the proposed rule does become law, I think it extends the geographic regulatory reach of those agencies.

And, as a result, I think it will require more and more permits to be issued. If the Corps' office is already stretched by personnel, and I think they are, I think many of them are hard-working, diligent federal employees, but if they're already stretched, if their workload increases, I don't see how it can do anything but increase these delays and the costs.

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SENATOR FISCHER: The Regulatory Flexibility Act, it requires agencies to examine the impacts of the proposed regulation on small governmental entities and on small businesses. The EPA and the Corps have certified that this proposed rule will not have significant economic impacts on a substantial number of small entities. But the chief counsel for the Small Business Administration Office of Advocacy, and that is a unit of the federal government, determined that this certification was in error and that it was improper. Can you talk about the EPA and the Corps' actions that I believe undermine the safeguards we have for our Nebraska municipalities and for the protection of our citizens?

MR. BLANKENAU: Yes. I think their certification was the product of the narrative

that it doesn't change existing law. And I think 1 2 the Small Business Administration recognized that 3 it, in fact, does change existing law. further extends that geographic reach. Now, all 4 but two of Nebraska's 530 municipalities and all 5 6 of its Natural Resources Districts would qualify 7 as small entities. Those municipalities and NRDs 8 are among the most frequently recipients of 404 permits because of how much earth they move 9 10 and all the activities that are involved. 11 what you'll see is direct impacts to taxpayers as 12 a result of those activities being delayed and 13 additional processing costs. 14 SENATOR FISCHER: And I would like you 15 to speak to the proposed rule's justification to 16 regulate all the water that has a hydraulic 17 connection. I think you have a very unique 18 perspective because of your profession, because 19 your positions that you've held in a previous 20 life, so I think you have a really good 21 perspective to share with us how the water here in 22 Nebraska, and specifically that connection that we 23 have, how is that going to be affected? 24 MR. BLANKENAU: Well, it's interesting 2.5 because both the Corps and the EPA have previously

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disavowed any control over groundwater. But what
they've done by adding the hydrologic connection
component, is effectively used groundwater to
claim jurisdiction over discreet bodies of water
that might be many miles away. So, for instance,
you know, I'll use the area that you were from,
Senator, as an example. You might have a golf
course developer who wishes to create a water
feature and excavates a pond which exposes
groundwater that might be hydrologically connected
to the Dismal River some five miles away by that
act of exposing and creating that exposure to
groundwater, there's that hydrologic connection
which makes that newly-excavated pond now
jurisdictional. So while it's technically correct
that the proposed rule doesn't regulate
groundwater, they use that hydrologic connection
of groundwater as the lynchpin to jurisdiction.
           SENATOR FISCHER: And the Clean Water
Act's purpose is to protect the quality of our
navigable water; is that correct?
          MR. BLANKENAU: That's correct.
           SENATOR FISCHER:
                             And do you see this
proposed rule-making as expanding agencies'
jurisdiction then, do you think? You alluded to
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1 it, but I know attorneys don't ever come right out
2 and say it, but...

MR. BLANKENAU: I don't want to beat around the bush of it.

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SENATOR FISCHER: But, you know, the -I'm very concerned about the regulatory authority
that we may see coming because of this proposed
rule.

MR. BLANKENAU: Well, again, and I really am concerned about what this does to the fabric of the Constitution. The authority of Congress is actually limited in what it can regulate. And it has historically been limited to actual navigation on waters. That was the whole purpose of the commerce clause being inserted in the Constitution to begin with. What we've done here is allowed an agency to define what "navigable" is and extend it to molecules of water that are very distant in time and in place. And I think that stretches the credibility beyond the breaking point.

SENATOR FISCHER: You know, this time of year we see the Sandhill crane coming to Nebraska and we have the opportunity as Nebraskans to really enjoy that phenomenon that's out there.

But we also have a number of people from around 1 2 the United States, around the world, that come to 3 view the cranes this time of year. Can you explain how this rule, I think, is attempting to 4 5 use these birds --6 MR. BLANKENAU: Yeah. 7 SENATOR FISCHER: -- to expand that 8 federal control over isolated water? MR. BLANKENAU: You've put your finger 10 on one of the really odd things about the proposed 11 rule, and it's the resurrection, if you will, of 12 the Migratory Bird Rule, which I thought the 13 Supreme Court had placed a stake through the heart 14 of in its SWANCC decision. This rule effectively 15 resurrects that concept where if a migratory bird, 16 such as the Sandhill crane, stops at a pond or 17 pothole along the way for a visit, that pond or 18 pothole becomes jurisdictional, all the way from 19 Texas to North Dakota. SENATOR FISCHER: Or Anselmo, Nebraska. 2.0 21 MR. BLANKENAU: Or in Anselmo. 22 So, yeah, it's one of the real stretches, 23 you will, of a definition of what navigable waters 24 are. 2.5 SENATOR FISCHER: Okay. Thank you.

I have some questions for all of the witnesses. So I welcome any of you that would like to address these.

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We'll begin with, do you believe that this proposed rule will clear up confusion regarding the jurisdiction of the Clean Water Act or do you think it will add to the confusion? You know, we've heard, I think, all of you bring that up in your testimony and in your comments.

Commissioner, would you like to address that?

MS. BORGESON: Well, we believe it will, and does, add confusion and it's not defined properly. You know, in terms of counties, we do two basic routine maintenance tasks that all counties do. We -- the cleaning and repairing of roadside ditches and the ongoing maintenance of unimproved roads. And so it's imperative and, again, it's just not clear, as to whether or not that routine maintenance of those right-of-ways and those ditches are included in the needs of these permits. We believe that the new rule does say that we would be, as counties, required to get permits for those ditches. In fact in the EPA's video it says in it several times about how

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important it is for them to have control of the
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   ditches. And so we're very concerned, again, of
   the length Mr. Crabtree talked about of already
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   overworked workers in the agencies, this just
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   exacerbates it. And, again, it's just very
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   unfair.
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              SENATOR FISCHER: Okay. Thank you.
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          Ms. Cooksley?
              MS. COOKSLEY: I too feel it would be
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   burdensome. It does not clarify. Every day I
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   have to go out on the land, I need to be able to
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   know what it is that I can do, because I am going
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   out there to manage the land for the long-term
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   viability of the land, keep the hills covered in
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   grass, protect the wildlife, that I enjoy every
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   day, and still maintain a sustainable business.
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               SENATOR FISCHER: Thank you.
          Don?
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              MR. WISNIESKI: I don't have a whole
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   lot to add to that. I'll pass it on and let
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    somebody else have the time.
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               SENATOR FISCHER:
                                 John?
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              MR. CRABTREE: Senator, I actually
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    really appreciate this question because I think
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   this is one of the heart -- sort of the heart of
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our discussion here. I absolutely respect that people have concerns about what the rule is going to -- what the rule would do to -- what jurisdiction of Clean Water Act would exist after the finalization rule. And Don and Wes and I, indeed, all of us on the panel probably all have six different viewpoints on what exactly that jurisdiction should end up being finally. The question about uncertainty though is a different question. Whether or not it -- some opponents of the rule have said, well, the rule's unclear, it's -- causes all these uncertainties, we don't know what it means. But they also say that it expands jurisdiction. It seems like, you know, a fairly precise examination of it. I am the most troubled by the fact that the uncertainty that we worry about exists today, currently. Miss Cooksley has very adequately described, ranchers and farmers need certainty to make long-range plans. Ranching in the Sandhills is a long-term venture. It's not something you do this year and stop next year. I mean, it's a life commitment and it requires that kind of certainty. But that doesn't exist today. And from the Supreme Court Justice all the way down to little

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old me, people have said that we're going to have to define what's jurisdiction in order to provide that certainty.

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Now, we all -- many of us want to quibble, and reasonably so, about, well, what should it be. And that's one question that we should have that argument. But we also need to recognize the uncertainty that people say they hear in the rule exists today, and so they should hear it today too. We should also be talking about, we need to do rule-making like this, as the Chief Justice said. Because if we don't, Barbara will still have that uncertainty, and every other rancher out there will. It still exists, what's jurisdictional, what can I do, what can't I. And short of hiring an attorney, and potentially going to court and all that to resolve those questions, they won't have an answer.

And so that's what's important, in our minds, the Center for Rural Affairs, in my mind, that's what's most important about this rule-making, is providing a definition that's clear and certain. And, again, we're reasonable people, we're more than happy to debate with the people about what exactly that definition should

look like, and I think we should continue to debate that. But we have to get that question about would the rule provide certainty? Yes, it would. It absolutely would. It would provide certainty. That doesn't exist today.

SENATOR FISCHER: Thank you.

Wes?

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MR. SHEETS: Thank you. I'll try and be very succinct and say, yes, I do believe this rule would provide some certainty. But I'd also qualify that by suggesting that my good friend and counter-opponent on my panel here to my left, has expertise, and I would hope that in the final analysis that the rule would be promulgated or at least exposed or written in some final form and then subjected to whatever analysis that is appropriate to make the decision, whether it would work or not and what the ultimate determinations would be. And at that point then I would urge you, Senator, as a policymaker, to consider whether that's good policy for our country or not. But I'd like to see what has been typed down on paper before I would want to commit to making it into the law.

SENATOR FISCHER: Thank you.

And, Mr. Blankenau, you'll have the last word today.

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MR. BLANKENAU: Oh, good.

This past October, Justin Lavene and I had a case before the U.S. Supreme Court, and while we were engaged in argument, Justice Breyer made the observation that you could hardly find nine people less qualified to decide a water case than the Court. Which got a good laugh in the courtroom. But he, frankly, makes a point. I mean, these are people that are not schooled in hydrology, and making these kinds of decisions is difficult. Ι think the way the proposed rule is presently written it creates even more uncertainty than exists today. John's absolutely right, there is uncertainty today and clarity is necessary. But this rule, I think, pumps steroids into that uncertainty rather than bring about some resolution. So I would prefer, and I think what I'm hearing many of these panelists say, is that the Corps and EPA go back to the drafting room table and rework this and to try to do exactly what they set out to do, and that's to provide that certainty.

SENATOR FISCHER: Thank you.

As we wrap up the hearing this -- today, this afternoon, I want to again express my gratitude to each of the witnesses for testifying today. We were privileged to hear a wide variety of different Nebraska stakeholders who provided details on the challenges families, businesses, communities will face if and when the administration finalizes the proposed Waters of the United States rule.

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We are blessed to have great water resources in this state, and it is clear that this rule would only undermine the strong work of our state, Natural Resource Districts, local communities, and landowners in managing and protecting this precious natural resource.

I have serious concerns about the process that EPA and the Corps used to draft this rule, and its disregard for states, small businesses, and local authorities. It is clear that imposing additional rules and permitting requirements on farmers, small businesses, and local governments will only create uncertainty, cause litigation and liability exposure, and drive up the time and costs of important projects.

I have and will continue to support every

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    legislative opportunity to force EPA and the Corps
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    to withdraw this dangerous proposal. We should
   not be in the business of creating unnecessary
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    regulations that generate more red tape. Instead,
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   we need to explore policy options that promote
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   growth and enable our job creators, communities,
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    and especially our families to prosper. In doing
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    so, I look forward to utilizing the insights
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   provided by all the stakeholders at this meeting.
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          And, again, I thank all of you for being
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   here today. Thank you.
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          And, with that, the hearing is now
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   adjourned.
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                           (Hearing adjourned
                            accordingly -- 12:12 p.m.)
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