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COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS
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Good morning, Mr. Chairman, and members of the Subcommittee. My name is David Lloyd. I am the Office Director in the Office of Brownfields and Land Revitalization (OBLR) in the U.S. Environmental Protection Agency's (EPA's) Office of Solid Waste and Emergency Response (OSWER). I am pleased to appear today to discuss EPA's Brownfields Program.

As you know, brownfields are all around us, in the smallest towns and largest cities -- empty warehouses, abandoned and deteriorating factories, vacant corner gas stations, and junk filled lots. They are most often in downtown or city center locations that are very visible, but also that have the efficiency and benefit of existing infrastructure, such as road access, power and other utilities. Brownfields are defined by the Small Business Liability Relief and Brownfields Revitalization Act (Brownfields Law) as "real property, the expansion, redevelopment, or reuse of which may be complicated by the presence or potential presence of a hazardous substance, pollutant, or contaminant." These are properties where real or potential environmental concerns pose a barrier to reuse. Estimates of the number of brownfields across the country range from 450,000 to more than one million properties. While these sites blight and hold down value in very visible ways in neighborhoods and communities, they can, when

addressed, become real assets for communities, adding economic, social and environmental benefits for citizens.

Since the program's inception in 1995 and through fiscal year 2011, EPA's Brownfields Program has continued to provide tools to communities and tribes that address these sites. The Program's funding has assessed more than 17,500 properties, made more than 24,500 acres ready for reuse, leveraged more than 72,000 jobs for cleanup and redevelopment activities, and leveraged more than $17.5 billion in economic development. Brownfields revitalization also produces long-term sustainability benefits, for example every acre of brownfields reused saves 4.5 acres of greenspace. Working with communities, states, tribes and other federal agencies, the Brownfields Program has become a coordinated national effort, providing tools that link environmental protection and public health with economic development and community revitalization.

In 2012, EPA will continue to focus efforts on streamlining the grants application process, strengthening our state and tribal response programs, piloting multi-purpose grants, promoting greener and more sustainable clean ups and reuse, fostering area-wide planning and expanding land revitalization across all of EPA's land cleanup programs.

Brownfields Grants

EPA's Brownfields Program provides direct funding for brownfields assessment, cleanup, revolving loans, research, technical assistance and environmental job training. Demand for this funding is very high, and EPA is currently only able to fund approximately one-third of the applications we receive. Assessment grants provide funding to: inventory, characterize, and assess properties; develop clean up plans; and conduct community involvement activities related

to brownfields. Environmental site assessments provide the information that communities and property owners need to move forward with reuse. In fact, about 20 percent of the properties assessed show little or no contamination, freeing the site for reuse after a relatively small public investment. Since the program's inception, EPA has awarded 2,008 assessment grants to small and large communities, usually for $200,000 each, for a total of $480 million.

As an example, The Westside Infill Transit Oriented Development Project in National City, California is a $69 million infill project; the project will develop 201 affordable housing units on approximately 14 acres of land immediately adjacent to the 24th Street Trolley Station, a light rail station serving metropolitan San Diego. The city-owned site was used formerly by the city public works as a maintenance area. An EPA Brownfields assessment grant and two targeted site investigations found the site to be contaminated with hazardous waste. Reclaiming the neighborhood for residential uses, especially affordable housing for families, was identified as one of the top priorities by the community. With technical assistance from EPA in coordination with the Department of Housing and Urban Development (HUD) and Department of Transportation (DOT), under the Partnership for Sustainable Communities, the Westside neighborhood has started to address environmental hazards from heavy industrial uses throughout the neighborhood. This project is creating jobs, revitalizing a neighborhood, improving public health, and developing badly needed, affordable housing near a light rail station.

EPA awards direct cleanup grants of up to $200,000 per site to public and nonprofit property owners to carry out clean up activities at brownfield sites. Since passage of the Brownfields Law, EPA has awarded 839 cleanup grants totaling $157.8 million. As an example, a $200,000 cleanup grant was awarded to address environmental conditions at a parcel on

Meeting Street in Providence, Rhode Island. Following the cleanup of a parcel of property, which included remediation of contaminants and removing the deteriorated buildings, construction of a new 76,000-square-foot Meeting Street National Center of Excellence facility began. Cleanup and redevelopment activities were funded through a program organized by Meeting Street that raised more than $15 million from the private and public sectors. The new facility is expected to stimulate additional investment and redevelopment in the area, and serve as a national model of education. This new facility now features a K-8 school that enrolls children of all abilities; a high school for students with severe and profound disabilities; the Bright Futures Early Learning Center; Meeting Street Early Intervention; outpatient Specialty Services; and The Children's Network, a school-readiness program for children from low-income families in Providence, RI. The building's clinical facilities, gymnasium, therapeutic pool, and family resource center are also available to the entire community. In addition, the new facility, which is applying for LEED certification as an energy efficient building, has three acres of greenspace which will include outdoor play areas and athletic fields for use by both the school and the community.

The Brownfields Program also supports property clean up with grants to states and local governments to capitalize revolving loan funds. The Brownfields Revolving Loan Fund (RLF) grants provide the capital to make low or no interest loans and subgrants to finance brownfields cleanup**.** Since passage of the Brownfields Law, EPA has awarded 292 RLF grants totaling $286.1 million. For example, The United Neighborhood Organization (UNO) Soccer Academy is an ultra-modern $27 Million dollar LEED Gold certified student elementary school and soccer academy which opened on Chicago's southwest side. The UNO remediated a former industrial property, which hosted a scrap yard and gas station/auto repair shop, with a $1 million loan from

the Illinois Brownfields Revolving Loan program, capitalized with EPA brownfields grants. The school itself is now an anchor for the neighborhood and relieves overcrowding in the existing elementary schools. Ten months ago, UNO didn't even own title to this vacant industrial property. In less than six months, all levels of government were able to coalesce to complete the siting, funding, cleanup, oversight and approval needed to allow this school to be built on a brownfield.

In addition to its grant programs, EPA conducts Targeted Brownfields Assessments (TBAs) through contracts with small and large businesses and interagency agreements with our federal partners. These single property assessments help communities on a direct basis, especially small and rural communities. EPA allocated $38 million for TBA support in fiscal years 2003 through 2011, including $9.4 million in Recovery Act funding. To date, EPA has conducted TBAs at 2,020 properties. EPA performed a TBA at Meridian Creamery in Idaho. Following assessment, the property was redeveloped as a 100,000-square-foot facility used as the city's new municipal complex. One hundred people are employed in the building. As a result of the development, three restaurants have opened nearby.

In FY 2010, EPA began a pilot program that provided research and technical assistance support for brownfields area-wide planning. Brownfields area-wide planning focuses on the nexus among brownfield sites, the surrounding area (such as a neighborhood, commercial corridor, downtown district, or greenway), and the development of clean up and reuse implementation strategies. EPA piloted this approach because in many communities brownfield sites are connected to each other through location, infrastructure, and economic and social conditions which create a collective impact on the community. The focus on multiple brownfield sites through area-wide planning can lead to a systematic clean up and reuse strategy.

Twenty-three recipients, including several small rural communities, were selected to receive EPA grant funding to pilot this approach. Recipients are conducting research activities such as community engagement sessions, market studies, review of existing environmental conditions, and infrastructure analysis, and making use of technical assistance provided both by EPA and outside vendors to develop a brownfields area-wide plan for community revitalization and redevelopment, identifying the next steps for implementation and the resources available to help them get there. The pilot projects are now fully underway and will continue through 2012. For example, of the 23 projects we have ongoing, we have funded a project in Tulsa, Oklahoma that is focusing on 69 brownfields sites in the northern part of the City. These projects will improve a wide range of communities – like Ranson, West Virginia, Kalispelll, Montana, Newark, New Jersey, and tribal lands on theColville Reservation in Washington, State just to name a few.

Also in FY 2010, the Brownfields Program began a joint effort with the Department of Housing and Urban Development (HUD) and Department of Transportation (DOT) under the Partnership for Sustainable Communities to ensure that federal investments, policies, and actions support development in an efficient and sustainable manner, ensuring that the agencies' policies, programs, and funding consider affordable housing, transportation, and environmental protection together. Coordinating federal investments in infrastructure, facilities, and services meets multiple economic, environmental, and community objectives with each dollar spent. For example, investing in public transit can lower household transportation costs, reduce greenhouse gas emissions and air pollution, decrease traffic congestion, encourage healthy walking and bicycling, and spur development of new homes and amenities around transit stations.

The Partnership selected five community pilot projects to receive direct technical assistance from EPA, with the goals of identifying both the barriers to and opportunities for

growth and development. This effort maximizes the impact of millions of dollars in federal resources for transit, housing and brownfields by aligning priorities in a collaborative approach that benefits the communities in need of assistance. EPA continues to work with HUD and DOT towards these goals, and anticipates that improved coordination will help leverage implementation resources for brownfields redevelopment projects for years to come.

Properties contaminated with petroleum such as abandoned gas stations are a common type of brownfields. Since passage of the Brownfields Law, EPA has awarded 841 assessment, revolving loan fund, and cleanup grants totaling $193.7 million for petroleum contaminated brownfields. For example, at the former Crane Pottery factory site in Trenton, New Jersey, fears of potential contamination hindered potential restoration. The site had long been an eyesore for residents of the surrounding low-income neighborhood. But after the city of Trenton was awarded a brownfields petroleum assessment grant for $200,000, the site was able to commence redevelopment. There are now three industrial facilities in operation at the site and an additional $300,000 has been leveraged for assessment, cleanup, and redevelopment of the properties.

In addition to funding brownfields assessments and clean ups, EPA also funds brownfields training, research, and technical assistance. As communities clean up brownfields and other contaminated sites, they need a workforce with environmental cleanup skills. EPA's brownfields job training grants are linked directly to brownfields sites in communities and trains local residents, connects to firms that will create jobs and hire locally to get these sites cleaned and back into productive reuse. To date, EPA has awarded 191 job training grants, and approximately 6,000 local, unemployed residents of brownfields-impacted communities have been trained. Of those, approximately 4,300 have obtained full-time employment in the

environmental field and remediation work with an average starting hourly wage of approximately $14.50.

In reviewing proposals and awarding grants, EPA has found that brownfields come in a range of sizes and types. Brownfields are often stereotyped as large industrial sites in urban areas. The reality however, is that brownfields are mostly small properties such as dry cleaners, vacant lots and gas stations. More than 40 percent of our grants go to communities of fewer than 100,000 people.

The award process for fiscal year 2012 is underway, and the program will announce brownfields assessment, revolving loan fund (RLF) and cleanup grant awardees in the Spring of 2012. The application deadline is November 28, 2011 and EPA expects to receive more than 900 requests totaling over $250 million. If the Brownfields Program receives the full appropriation requested in the FY 2012 President's Budget, the Agency plans to award approximately 200 grants in the coming year.

State and Tribal Programs

States and tribes are at the forefront of brownfields clean up and reuse. The majority of brownfields cleanups are overseen by state response programs. Section 128(a) of the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) provides grant assistance to states to build capacity and strengthen State and Tribal environmental response programs. Since 2006, CERCLA 128(a) grantees reported that nearly 44,000 properties were enrolled in state and tribal response programs and more than 549,000 acres were made ready for reuse. Additionally, state and tribal response programs provided technical assistance at more than 1,800 properties.

Similarly, tribal response programs are taking an active role in the cleanup and reuse of contaminated property on tribal lands. Tribes are developing and enhancing their response programs to address environmental issues on tribal lands. Through brownfields grant assistance, tribes are creating self sufficient organizations for environmental protection. Tribal response programs conduct assessments, create cleanup standards, and educate their communities about the value and possibilities of brownfields clean up and reuse.

The development of state and tribal programs is essential to ensuring the successful implementation of the national brownfields program. Providing financial assistance to states and tribes increases their capacity to meet brownfields clean up and reuse challenges. It helps to ensure that cleanup and reuse is protective and in accordance with federal, state and tribal standards.

Under the Brownfields Law, EPA provides financial assistance to build capacity to establish or enhance response programs so that states and tribes can clean up and reuse the brownfields sites in their communities. In fiscal year 2011, EPA's brownfields appropriation included $49.5 million for states, tribes and U.S. territories, although the Agency received funding requests of over $70 million. EPA anticipates that the increasing demand for these funds from states and tribes will continue into the future.

EPA awards funds to states and tribes through a national allocation process where EPA makes individual cooperative agreement funding decisions based on remaining balances available from prior years' grant awards, activities that ensure effective planning and development of response and voluntary cleanup programs, as well as activities that provide the public with access to information to create an environment for meaningful public participation. States and tribes use the grant funding for a variety of activities. For some, the funding provides

an opportunity to create new response programs to address contaminated properties, while for others it allows them to enhance existing programs with innovative new tools. Some states, such as Colorado, use the funds to bolster clean up revolving loan funds, while others, such as Wisconsin, use the funds to maintain a "one clean up" approach to assessment and clean up. Many use the funds to conduct site specific activities, such as the assessment and clean up of brownfields sites. Since fiscal year 2003, states and tribes reported conducting more than 1,700 site assessments on brownfields.

American Recovery and Reinvestment Act (ARRA)

Since February 2009, the Brownfields program has worked diligently to ensure that American Recovery and Reinvestment Act (ARRA) funds are used efficiently and effectively to help rebuild communities most in need, invest in jobs that will put our citizens back to work, and improve public health and the environment. Of the $100 million allocated for the Brownfields Program to assess and clean up contaminated land for redevelopment or reuse, the Brownfields Program has awarded 100 percent and expended over 55 percent. To date, the program funding has facilitated the start of over 1,000 assessments and the start of 63 clean ups. Over 600 properties have been assessed and 37 properties have been cleaned up resulting in 549 acres of property ready for reuse, leveraging over $200 million in additional investment and nearly 1,200 jobs for cleanup and redevelopment activities. Further, loans and/or sub-grants have been made, or are being processed, by nearly all the Brownfields Revolving Loan Fund (RLF) grantees. In addition to funding assessment and cleanup activities, EPA has invested ARRA dollars in Environmental Workforce Development and Job Training Grants to help local residents take advantage of the jobs created by the management, assessment, clean up and revitalization of Brownfields properties and other contaminated lands in their own communities. With these

ARRA funds, grantees have trained over 1000 residents and have placed 672 in full-time employment with an average hourly wage of $14.89.

Liability Protection

A critical element of the Brownfields Law is the statutory liability protections and clarifications under CERCLA for certain landowners who are not responsible for prior contamination at brownfields properties. The Brownfields Law clarified the landowner liability protection of bona fide prospective purchasers, innocent landowners and contiguous property owners under CERCLA. These self-implementing protections increase comfort and certainty for prospective purchasers and provide incentives for redeveloping brownfields.

To qualify for liability protection, property owners must satisfy certain statutory requirements. For example, prior to acquiring a property, purchasers must meet environmental due diligence requirements by undertaking "all appropriate inquiries" into the previous uses and condition of the property. In collaboration with a wide set of stakeholders, EPA developed a regulation establishing standards for conducting "all appropriate inquiries." The final rule was issued in November 2005 and went into effect in November 2006. To further increase comforts and certainty and advance brownfields clean up and redevelopment, EPA has issued guidance and enforcement discretion policies clarifying the steps prospective purchasers and local governments can take to qualify for these liability protections.

Conclusion

EPA's Brownfields Program serves as an innovative approach to environmental protection, spurring environmental clean up, reducing neighborhood blight, preserving greenspace, leveraging private investment, leveraging jobs in cleanup and redevelopment activities, and promoting community revitalization. Our continued success will require

collaboration among all levels of government, the private sector, and nongovernmental organizations. EPA will continue to implement the Brownfields Program to protect human health and the environment, enhance public participation in local decision making, build safe and sustainable communities through public and private partnerships, and demonstrate that environmental cleanup can be accomplished in a way that promotes economic redevelopment.