



**FROM:** Kountoupes Denham Carr & Reid

**DATE:** Wednesday, May 13, 2026

**RE:** Senate Appropriations Subcommittee on Interior, Environment, and Related Agencies Subcommittee Hearing on a Review of the President's Fiscal Year 2027 Budget Request for the Environmental Protection Agency

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### **Topline Summary**

- Senators on the Appropriations Subcommittee on Interior, Environment and Related Agencies convened for a hearing to receive testimony from Environmental Protection Agency (EPA) Administrator, Lee Zeldin, on the President's Fiscal Year 2027 Budget Request.
- Republicans broadly supported Administrator Zeldin's deregulatory direction, rolling back Biden-era rules on MATS, WOTUS, ELG, and the Good Neighbor Rule, while pushing back on specific budget cuts that hurt their states, particularly the zeroing out of the clean water SRFs and Alaska-specific programs like bulk fuel storage and contaminated land pumps.
- Sen. Deb Fischer (R-NE) pushed that year-round E15 is not a mandate and allowing its sale has not caused any refineries to close. Zeldin agreed with Senator Fischer and highlighted the finalization of the 2026-2027 RVO as a win for certainty for farmers and biofuel producers.
- Democrats Unified and pointed opposition to the proposed 90% cut to clean water and drinking water SRFs, while Democrats pressed Zeldin repeatedly on the real-world impact to lead pipe replacement and local water utilities. They also challenged EPA's decision to stop monetizing public health benefits in cost-benefit analyses while still calculating costs to industry. Democratic members raised microplastics and glyphosate health concerns and expressed skepticism of advanced recycling as a solution to plastics. Zeldin refuted that claim and believes advanced recycling is a promising but stalled domestic opportunity,

**Senators Attending:** Chairwoman Lisa Murkowski (R-AK), Ranking Member Jeff Merkley (D-OR), Sen. Shelley Moore Capito (R-WV), Sen. John Hoeven (R-ND), Sen. Deb. Fischer (R-NE), Sen. Chris Van Hollen (D-MD), Sen. Tammy Baldwin (D-WI), & Sen. Patty Murray (D-WA)

### **[Live Hearing Link](#)**

***Meeting called to order by Chairwoman Murkowski***

### **Opening Statements**

**Chairwoman Lisa Murkowski (R-AK):** Good morning, everyone. The subcommittee will come to order. We're convening for our third hearing for fiscal year 2027, this time to consider the President's request for the Environmental Protection Agency.



Administrator thank you for joining us here this morning. I appreciate you being here. Also a personal thank you for traveling to Alaska.

Not everybody wants to come in winter. Maybe you didn't want to come in February, but I think you get a little taste of what some of the locals get to enjoy. For colleagues, we had 152 consecutive days in Fairbanks where the temperatures did not get above zero. So it was a cold winter.

So I think you were able to enjoy a little bit of that. But, again, thank you for making the trip not only to my state but to other colleagues as well to know and understand and to really gather the facts on the ground. It's appreciated. And, again, thank you for making the trip not only to my state but to other colleagues as well to know and understand and to really gather the facts on the ground.

I want to acknowledge several, many of the steps that you've taken over the past year to help Alaska specifically. The transfer of \$100 million to the Denali Commission to start addressing the serious bulk fuel storage issues that face so many Alaskan communities. We've got more work to do on that, but we're starting that off. You drafted new waters of the United States rule to provide regulatory clarity and certainty. You're tackling some technical issues like the diesel exhaust fluid sensor requirements to help reduce system failures in cold climate states. These things matter, and so I appreciate that.

But as with government, as with bureaucracy, the world's not entirely perfect. We still have more work, as you know, to do when it comes to the draft WOTUS rule as it relates for Alaska. It's not right yet. We wrote you as a delegation to outline its shortcomings, particularly the inclusion of permafrost within the definition of WOTUS. Again, when you're up there in Fairbanks, you have an opportunity, maybe not in the heart of winter when everything is really pretty dramatically frozen, but we see the impact of permafrost, thawing permafrost. And so I would urge you and your team to fix that. and all the concerns that regulated Alaskans raised during the comment period before that rule is finalized.

I mentioned bulk fuel storage. Alaska has gratefully received a significant down payment on this more than \$1 billion problem. This is something that, again, I think is pretty unique to Alaska, where you have all of these communities that are off-roaded, and so their fuel needs are met when they're able to fill up their bulk fuel storage. But we've got a tired history, I guess, with regards to the status of those above-ground storage tanks. So we started funding that program in our FY26 bill. I'm going to be looking to build on that this year and beyond.

In the immediate term, I will tell you, Administrator Zeldin, people in Alaska, particularly in our off-road communities, are very, very anxious about the impacts that we're seeing, rising from the conflict in Iran and the impact not only on prices for fuel, but also being able to source fuel. In so many of these communities, 82 percent of our communities are not connected by road, but for the coastal and many of the roads, communities. They get their fuel basically twice a year.

So, you're locked into fuel prices in the spring, which we consider to be June, and then in September. So right now, people have ordered their fuel for their village, and they had to order it probably within the past 30 days or so, right when, of course, the prices are exorbitantly high. And this is going to a region where we already, fuel prices in the range of \$7 to \$10 a gallon. So they're anticipating fuel costs in the range of \$15 to \$17 a gallon. And when you put it into context, it's not just filling up your pickup truck. For most of these communities, it's not like there's a lot of roads. But the community is powered by diesel generation. So, to keep your lights on, it's costing you to power that diesel generator.

To fill up your skiff to go fishing for subsistence, or to fill up your four-wheeler to go hunting for subsistence, to be able to go out and collect firewood so that you can keep your home, your cabin warm. It all requires fuel. So the impact on people's ability to either provide food, provide for some level of economy, or to stay warm, is already challenged before we've even had the delivery. And what we're



hearing is a concern that so much of this supply is, is actually the refined product is, is coming from South Korea.

And South Korea, of course, gets much of their, oil from, from the Gulf. And so they're limiting quantities that they are sending out of Korea. So South Korea. So I've shared this with Secretary Bergum. I shared it with Secretary Kennedy, basically anybody who's listening, because I'm going to be making asks and encouraging those in the administration to do what you can to help us provide for some relief, some flexibility, to ensure that the fuel not only arrives, but also that people are going to be able to afford it. So there's a lot of stress there.

You've heard me talk about our issue with cleanup of contaminated lands in Alaska. We've appropriated funding for this for the last few years. My goal is to keep expanding on that. And again, this is one where when you think about a raw deal, federal government comes in for a host of different reasons, leaves an area, and they leave contaminated waste.

After the war, you know, in some of the building projects, but they just walk away from it. And then when we settle up with Alaska Natives, with the Alaska Native Claims Settlement Act, so many of these contaminated lands were transferred as a part of that settlement. But now you've got a huge problem on your hands. So we've worked beyond the liability issues. Now it's just about the cleanup. And it's just It's an area that is a considerable source of frustration. So working with you and your folks on this continues to be a priority of mine.

Another area of frustration has been EPA's decision to freeze or cancel grant funding that Congress approved, and Alaska communities had secured on a fair and competitive basis. We've talked about the situation with Kipnuk. They were a small village. in southwest Alaska, they were awarded a grant to address coastal erosion. EPA canceled that grant just months before the community was literally wiped out, wiped out by ex-typhoon Halong.

And I grant you that that particular grant would not have saved Kipnuck, but we have a lot of other coastal communities that need federal help who don't have it. And so it's a very important thing. It's hard when you have kind of this view from Washington that says, you know, this is a waste of money to go to help a community of 800 or 900 people. It was really stunning to hear an EPA spokeswoman who went on the record to claim that the grant cancellation kept taxpayer dollars from being, quote, swept into the Kuskokwim River.

That was really hard. For me, it's hard. for people in that region to hear. It was pretty offensive, and it made me question what EPA political staff here in Washington, D.C., think of these threatened Alaska Native communities. So, I'm going to be putting a lot of my muscle into this effort because it's not just Kipnuck. It is small Alaska Native communities up and down the coast who are threatened right now with everything from coastal erosion to these devastating fall storms that we're seeing.

I'm very appreciative of what you have done and your team within the agency to end what we would call regulatory overreach that we saw throughout the Biden administration. It was just daily. But I also recognize that, well, overreach is not good.

Underreach sometimes doesn't help us either. Every American counts on EPA to ensure cleaner air, cleaner water, and a livable environment around them. And the baseline that determines what happens on those fronts and all the other things that I mentioned, that's in your annual budget. So that brings me back to the President's request.

Like I said last year, there's good and bad within it. We continue to target inefficiencies, overlap, and waste at the agency. We must do that. But I will share with you again.



I do not support the elimination of virtually all funding for clean water and drinking water state revolving funds or the categorical grants. I think they're good. I think they're reasonable investments, and I figure they're probably going to be some big topics today.

Cutting them would hurt public health and safety, especially with many states, including a state like Alaska, that are just not able to take over and cover the cost, particularly on short notice. It kind of feels, like we're in the same place that we were last year, so my approach is going to be the same. We take the President's budget request as a suggestion. We work together to produce a good bill that allows EPA to fulfill its core missions and meet the needs of our communities. I think we did that last year in working with your team. We want to be able to do that again this year.

So, Administrator Zeldin, I will invite you to give your opening comments to the committee, and if Senator Merkley has returned, we will turn to him.

Otherwise, we'll just start kicking it off with questions. But welcome and thank you for being here.

**Ranking Member Jeff Merkley (D-OR):** Thank you very much, Chair. And my apologies, Mr. Secretary, I'm at the whimsy of the majority schedule on the floor. But having adapted to their schedule, I got here a little late. Welcome back.

And thank you for your recent visit to Oregon, including the Portland Harbor Superfund site. I really appreciate your attention to this. This is not an issue in terms of the budget since it's in mandatory spending, but it is an issue of can we get things done?

And when I first came into the Senate, you know, almost 18 years ago, Congressman Blumenauer insisted I immediately go out and inspect the Superfund site and it all came down to, okay, we've tested all these areas, we're going to have to cap some and we're going to have to scour some and we've got to make the decision and do it. And here we are, 18 years later, we're still wrestling to get to that point where we actually get to the action stage. So I really appreciated your attention to that, because I think it points to your determination that we take some of those sites and get the work done.

While that is not an issue in the budget, a lot of things are, and it takes a long-term commitment, and Congress and the legislative branch working together, and in that sense, I do have some concerns that I'll just share with you. The first is a question of resources. Your budget request is for \$4.2 billion, which is a cut of \$4.61 billion, and that's a big change in terms of the enterprise, the complicated enterprise that you lead.

And so within that larger cut, there are certain accounts that I've become familiar with over time that know I'm very important. One of those is the State Clean Water Revolving Fund. And I go to every county every year. Just the weekend before last, I was at the last nine counties meeting with the local leaders and then holding a public town hall of my 36 counties.

And in every single meeting with local leaders, there was some city saying, and some small town saying, how can we get the resources? It's so expensive to meet the modern standards with a smaller population, that we really need more help from the federal government, and that normally comes in the funding of the state revolving funds. In some cases, it's an immediate significant challenge. In the Umatilla Basin, it's nitrates in the groundwater that are necessitating that we do. People can't use their wells, so for years they've been getting water deliveries, but the ultimate strategy is really to put it in the water. Then on a municipal type system but it's expensive so it's just an example of the challenge that's faced. Other cases



it's just the old infrastructure is worn out. I've still got communities where the water is delivered through wooden pipes and that was quite a revelation to me when I first came into office.

And so sustained investments are important. Your budget also eliminates categorical grants to states and who implement long-standing human health and environmental protection standards, including \$237 million to monitor air quality and \$175 million to monitor storm runoff, snow melt into rivers and groundwater, and \$117 million to oversee the drinking water systems. And all of that, of course, part of monitoring is see where is something going wrong, so we can collectively work together to address it.

And your budget eliminates the environmental Justice program, and we probably have a different perspective on this. My perspective is that so often development has occurred near low-income communities, often minority communities, who suffer disproportionate health impacts. And so, I felt that the environmental justice focus was very important in terms of serving all the citizens of the United States. So that is a concern to me.

I'm also concerned about research. The budget and the budget reduce the science and technology account by, at our count, 32 percent, including a almost, well, two-thirds cut, 66 percent cut to research and data on air quality, risk from pollution, and energy-related impacts. And if we don't research it, how do we find the answers to work together on? And certainly these issues aren't blue and red issues in Oregon. They're of concern to every community throughout my research. And of course, money and staff are both essential components, and the budget is looking at, well, if I have it right, up to date, about 2,500 staff who have been, if you will, invited to find a new career through the Deferred Resignation Program or just straight-out terminations.

On the research side, we have EPA labs in Oregon, Corvallis and Newport, and one is to understand how chemical contaminants harm communities and ecosystems along the Pacific coast. We all value our coast ecosystems very much, and we have the commercial side, the commercial fishing, we have the crabbing industry, we have all kinds of fishing. And those EPA labs ensure that those ecosystems are safe and thriving and productive, and sometimes we have to shut down fisheries because we have toxins that are created through certain algae blooms at times that we have to monitor and make sure that people don't get sick. So that's key.

The Columbia River Basin Program, a great water program, is cut by 58%. The Columbia carries more water than any river in the country, including the Mississippi. It's extraordinary where it cuts through the Cascade Mountains. And it's a very, very long river.

It even goes up into Canada. and back down into Montana. And so all along the way, there are a lot of factors that affect the quality and function of the river that's important to every city and every state it passes through. And its final stretch is between Washington State and Oregon.

The WIFIA program is something that I was very involved in creating because I heard about the larger cities, just massive projects. And so I heard about the larger cities, just massive projects. Sometimes it was separating combined sewer runoff, stormwater, from the actual sewage side, or other really massive rebuilding of outdated infrastructure, or infrastructure that was sufficient for the growth of commercial or residential activity. And that program has been quite effective.

Now, there is one project in Oregon, the Port of Morro. And that program has been quite effective. that submitted an application through WIFIA. And submitting by a port is a novel use. They're relying on those infrastructure loans, and they need help. So I just wanted to mention that.

And one more item that deserves attention is the moving Energy Star out of EPA. And I do recognize that I think the plan is to move it to the Energy Department. But EPA has done an excellent job administrating



that program, and so I'd love to see it stay right where it is. I'm somewhat concerned that it'll be a little more exposed, less exposed to the science of EPA and a little more exposed to politics and the energy side. And so maybe in your department, it might be the right place to continue to manage that operation.

So those are some of the factors that I look forward to us discussing today. And thank you for coming before us.

### **Witnesses**

**The Honorable Lee Zeldin**, Administrator, Environmental Protection Agency

[Testimony](#)

### **Q&A**

*Please see attached Politico's Transcript*