

Context: New Leadership and Budget

- New Leader: **Gina McCarthy**
 - sworn in as EPA administrator in July
 - bipartisan background; former head of EPA's air office
 - signals President's commitment to climate action?



- **Budget constraints**
 - FY 12 enacted budget: \$8.4B
 - FY 13 enacted budget: \$8.3B – 9% = \$7.7 B
 - FY 14 budget
 - House proposal (Interior and Environment subcommittee) – \$5.5 billion
 - Contains riders that would stop rules of interest to PNM and others.
 - President's request – \$8.1B (still subject to sequester)



Budget Impacts - Examples

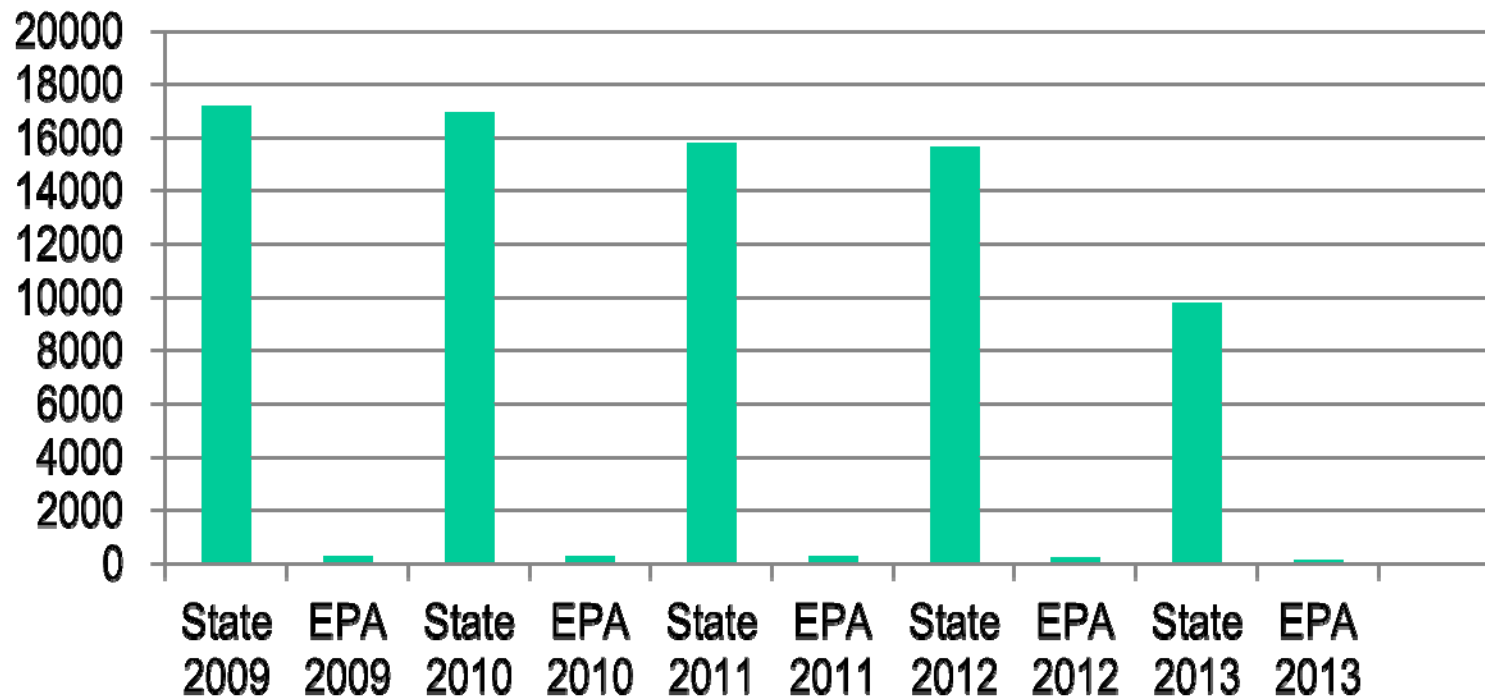
Sequestration and budget cuts projected to lead to:

- 1,000 fewer EPA and 2,600 fewer state **inspections** in FY13
 - travel constraints
- **limitations** on climate change, chemical safety and other **research**
- **reductions** in State Revolving **Funds** and various **grants** for communities to finance **water infrastructure** projects
- **shutdown** of state **air monitors**
- **slowdown** of Superfund-lead NPL cleanups
- **adverse impacts** on **morale** and **protracted rulemaking**



Declining Compliance Evaluations and Inspections

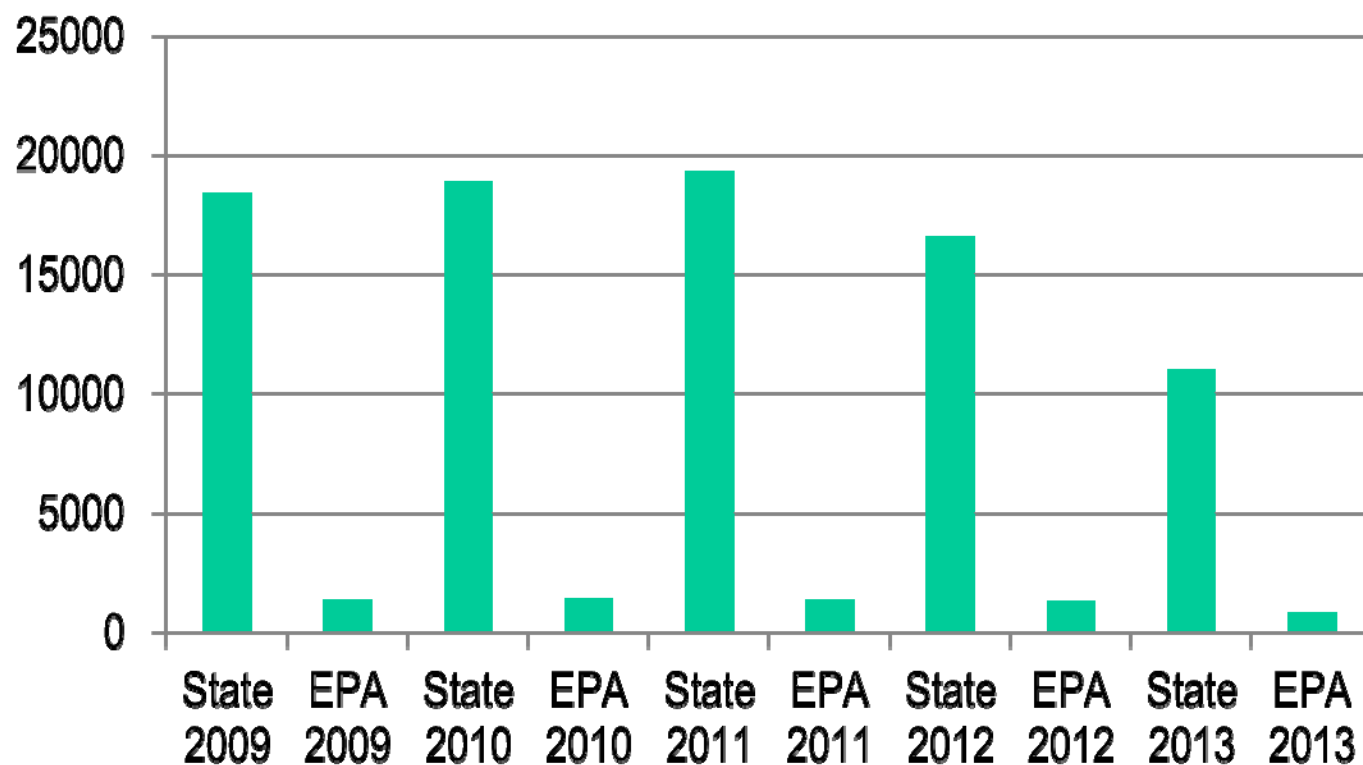
CAA Full Compliance Evaluations



43%
decline

Declining Compliance Evaluations and Inspections

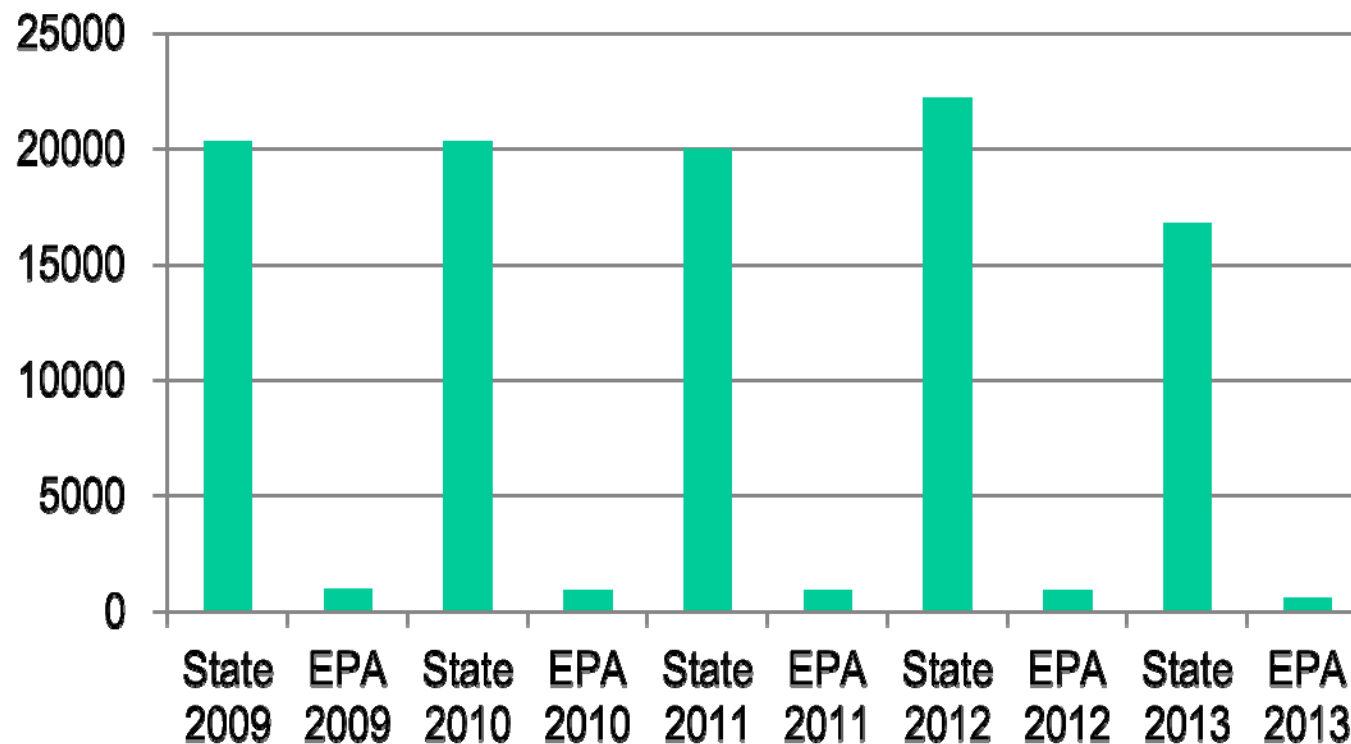
Hazardous Waste Inspections



40%
decline

Declining Compliance Evaluations and Inspections

CWA Inspections



18%
decline

Questions or Comments?

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