



**Testimony of  
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**New York State Assembly  
Standing Committee on Environmental Conservation  
Subcommittee on Oversight of the Department of Environmental Conservation  
Hearing:**

**Impacts of the 2008-09 State Budget on the Programs of the Department of  
Environmental Conservation (DEC)**

**December 4, 2008**

Chairman Sweeney, Chairman Bradley and members of the Assembly Environmental Conservation Committee, thank you for this opportunity to share with you the progress which we've made so far this year to implement DEC's 2008-09 budget.

Governor Paterson has made it clear that it is critically important that we advance a comprehensive environmental agenda for New York State. The Assembly's support in approving the majority of the Governor's 2008-09 budget recommendations was truly critical to our success to date, and we thank you for your continuing support.

As reported to this Committee last year, Commissioner Grannis' first priority was revitalizing an agency which had lost nearly one-quarter of its employees in the 1990's. The 2007-08 and 2008-09 State Budgets reversed the trend of reducing DEC's staffing by adding 113 critically needed new positions for DEC programs, all but two of which have been filled. We currently have 3,697 positions filled.

Unfortunately, the current financial problems require that everyone share the pain, as we seek to close staggering budget gaps, both for this fiscal year and in preparation for the 2009-10 budget. DEC, like all state agencies, was asked to significantly reduce its operating expenses during this fiscal year. In May, we were asked to reduce expenditures by 3.35% and again in July to reduce spending by an additional 7%. These reductions resulted in an overall cut of more than \$32 million from DEC's operating budget.

Commissioner Grannis believes that our staff resources represent the best route to protecting the environment and achieving our mission. At the same time, we acknowledge that the only way for us to achieve a great deal of the required budget cutbacks is through attrition, and accordingly we have already seen a reduction in staff of 83 workers since April first. We have also reduced non-personal service spending by 25 percent. This includes contractual expenditures, which resulted in, among other things, moving the winter suspension of the waste tire cleanups at the Mohawk and Fortino sites up a month to November first. It also resulted in a reduction of funds available for Belleayre Mountain, which is so critical to the economic vitality of the southern Catskills. We have worked

very hard to strategically make these cuts to minimize their impacts on both DEC's operations at the mountain and the surrounding community.

Although our resources have been reduced as a result of the fiscal crisis, there has been no reduction in the very wide range of our mandated responsibilities. As a consequence, DEC and its staff are forced to do as much, if not more, with less. We know that staff attrition will result in taking more time to get to permit applications; more time between site inspections of the many facilities we regulate; fewer consent orders negotiated by our legal staff; and longer time frames to investigate and remediate cleanups. We are, however, constantly evaluating our workload to assure that staff is focusing on the most critical issues, rethinking our business processes, implementing efficiencies, looking to time-saving technology, and focusing on priorities and initiatives most likely to succeed. Although we face significant challenges, we will not shortchange the environment in this process.

In my testimony today I'd like to first briefly touch on our efforts to work proactively with the regulated community; then discuss some of our achievements this year under each of Commissioner Grannis' priorities; and then highlight some specific issues with budget implications, including the environmental protection fund.

### **Working With the Regulated Community**

Commissioner Grannis firmly rejects the idea that environmental protection and economic development are mutually exclusive goals. To the contrary, we believe that by taking a proactive approach and working collaboratively with the regulated community and our municipal partners, we can simultaneously achieve our mission and smooth the way for private sector economic growth. We've seen that the most significant issues arise when developers or other business interests come to DEC late in their planning process, when it is more difficult or costly to make the changes necessary to comply with state law and regulations. Accordingly, DEC has been working with the business community to encourage a dialogue prior to commencing a permit application and even before consultants are hired. This type of "proactive cooperation" enables faster permitting, and in many cases results in a smarter, more cost-effective project. For example, DEC worked closely with

Beech-Nut when it began the process to relocate from its historic location in Canajoharie to Montgomery County, to ensure that all environmental issues were addressed. DEC and Beech-Nut collaboratively developed a habitat management strategy to address a threatened species on the site, as well as permit the company to develop an innovative performance-based standard for stormwater runoff rather than impose a prescriptive requirement. By working together, DEC was able to meet its environmental protection obligations while Beech-Nut was able to stay on an aggressive construction schedule.

In another instance, DEC is working closely with ALCOA on its \$600 million investment to modernize its Massena East facility, which will result in a one-third reduction of emissions, including greenhouse gas emission reductions of more than 70 percent and hazardous air pollutant reductions of 45 percent. The negotiated plans for this plant will also reduce wastewater and stormwater discharges by over 60 percent. Through early dialogue, issues related to air emissions, wastewater discharges, wetlands and the SEQR process were all addressed on the front end, enabling the project to move forward expeditiously.

DEC is also applying a more proactive approach when working with local governments. For example, as New York City is one of our largest regulated entities, we have worked closely with the city Department of Environmental Protection (DEP) to craft a landmark agreement on its sprawling sewage treatment plants to avoid future compliance problems, fix broken processes, and use an innovative self-audit mechanism. In the same context, we arranged for the City to invest in a significant environmental benefit project for the affected communities, a strategy DEC has and will continue to use to ensure our enforcement brings maximum benefit to neighborhoods and citizens affected by a party failing to comply with environmental regulations. In a related vein, we are working closely with Onondaga County on a novel “green infrastructure” solution to address its combined sewer overflow problems. This type of partnership results in less expense for the local government, more efficient use of DEC staff, and ultimately a better environmental result for the community.

We’ve also applied this principle of early communication and forging productive relationships in our dealings with other state agencies. For example, recognizing that early discussions regarding

economic development projects can bring better outcomes, we held four workshops around the state with DEC and ESD staff to summarize our programs and requirements, and to discuss ongoing economic development initiatives. We also routinely meet at the executive and regional level with other agencies regarding the environmental aspects of their projects to ensure that problems are identified early and solutions developed.

### **DEC Priorities and FY 2008-09 Actions**

Even as New York State addresses the extraordinary fiscal turbulence, with your support we have accomplished a great deal. The Commissioner has six general priorities, and I want to highlight some achievements in each.

#### **Combating Climate Change**

This year, DEC deployed its fully staffed Climate Change Office to take steps to reduce and mitigate the impacts of greenhouse gases and climate change. DEC is a founding member, and the state's representative, of the Climate Registry, which is an effort among 39 states to encourage the voluntary reporting of greenhouse gas emissions. DEC and other state agencies, businesses (large and small), local governments, universities and colleges, and environmental groups have joined the Registry and will measure and report emissions to the Registry next year. And DEC staff have participated in numerous forums to help educate the public and stakeholders on the importance of taking steps to address climate change today.

Our most notable accomplishment on climate change this year, however, has been the issuance of regulations to implement the Regional Greenhouse Gas Initiative (RGGI) in New York. RGGI is the first-in-the-nation mandatory plan to cap and reduce power plant carbon dioxide (CO<sub>2</sub>) emissions. Unlike other cap and trade programs, RGGI distributes allowances via an auction rather than free allocation. The first auction under RGGI took place on September 25th. New York will offer its first CO<sub>2</sub> emission allowances for sale during the December 17th auction.

Also in the climate change area, DEC is an active member of the Energy Planning Board and is working to support the state's energy agencies in meeting the Governor's goal of reducing energy usage 15 percent by 2015. DEC is chairing two interagency workgroups created by the Governor's

Renewable Energy Task Force: one to develop strategies to reduce vehicle miles traveled; another to assess the environmental, health and social impacts of biofuels and to develop a policy road map.

Despite not being allocated any staff or funding resources, the Sea Level Rise Task Force has held numerous meetings to meet its statutory charge of “assessing the anticipated impacts of sea level rise, as well as providing recommendations related to actions the State may take to protect areas at risk of damage, adaptive measures and regulatory and/or statutory changes.” Commissioner Grannis chairs the Task Force and DEC staff have set up a steering committee to draft the report. Four workgroups have been formed (ecosystems, infrastructure, legal, and public outreach) with members from a broad array of state and local government, stakeholder groups, and private industry, making sure that representatives from vulnerable communities are included in every step of the process.

In order to take advantage of other resources, we are working closely with the non-government organizations and other city and state entities simultaneously examining the implications of sea level rise. Accordingly, the Task Force is collaborating with the New York City Climate Change Task Force, the Rising Waters project in the Hudson Valley, and NYSERDA’s state climate change assessment project to make sure that a comprehensive and consistent message is presented to the public on the amount and potential effects of sea level rise and the development of recommendations to respond. We will continue to work together using the best available science to guide our assessment, along with a clear vision, to outline the most efficient and effective ways to respond to sea level rise along our coastlines in New York State.

DEC is also looking forward to a partnership with the federal government (something that we have not had the last 8 years). President-elect Obama has expressed support for capping greenhouse gas emissions with the goal of reducing greenhouse gas emissions 80% from 1990 levels by 2050. Because we have taken bold steps on climate change, New York State is poised to play a leading role in shaping a federal climate action plan, and RGGI is already serving as a model.

## **Foster Green and Healthy Communities**

This second priority — Foster Green and Healthy Communities — encompasses a wide range of activities to improve communities, from smart growth to waste reduction to air quality to brownfields cleanup.

DEC is overseeing implementation of the \$1 million in Adirondack Community Smart Growth Grants which were announced last year which are enabling counties, towns, villages and not-for-profit organizations to develop plans that link sustainable development, environmental protection and community livability. DEC is prepared to announce additional Adirondack Smart Growth grant opportunities soon.

After the moratorium on the brownfield cleanup program ended, DEC resumed processing applications in accordance with legislation sponsored by the Governor and developed in cooperation with both the Assembly and Senate. While that legislation addressed some of the fiscal issues, the brownfield cleanup program continues to reach only a fraction of the contaminated sites around the state and most of the redevelopment is occurring downstate. In addition, a number of recent court decisions call for very liberal eligibility criteria, highlighting the open-ended tax credit liability for the state regardless of whether or not the project needs assistance to move forward. In our view, the primary goal of this program should be to provide meaningful incentives to volunteers to clean up and redevelop land in places where they otherwise would not do so. Brownfields redevelopment and reform remain priorities for DEC.

This year, \$7.2 million was awarded to 50 Brownfield Opportunity Area projects. This program is a critical complement to the brownfield cleanup program. Unfortunately, another related program—the “Environmental Restoration Program” or ERP— has run out of money. This \$200 million program was funded by the 1996 Bond Act, but in the first seven years, just \$30 million had been committed. In 2003, the state altered the reimbursement formula to make it more appealing to municipalities, and the program took off: about \$150 million was committed during a four-year surge of activity. The limited funds remaining in this program are committed to the completion of approved projects, with the exception of \$20 million that is subject to a MOU between the

Governor and the legislature. Last year, the Commissioner was able to report that 31 ERP grants had been issued totaling \$15 million to investigate and clean up municipally owned brownfields. This year, because the funding is effectively exhausted, we have been limited to issuing one grant for \$700,000. This program has been an enormous benefit to municipalities—allowing 117 municipalities to clean up 202 parcels of contaminated land they own, most often due to foreclosure and abandonment, and to plan and fund revitalization efforts. On the one hand, it's nice to report that a program has been successful, but exhaustion of the funds to support this program will be a clear loss to our cities and towns, particularly struggling upstate communities.

To modernize waste management (and to meet a statutory responsibility that has been ignored in the past), DEC has been aggressively developing the next State Solid Waste Management Plan. We formed an Advisory Board, held numerous stakeholder sessions, and have made good progress in preparing the draft plan. As a result of interest expressed at the stakeholder meetings, DEC co-sponsored a roundtable with the New York State Association of Solid Waste Managers on product stewardship. At this roundtable we learned of innovative approaches being pursued in California, Minnesota, and Washington that can reduce the cost burden felt by municipalities and provide the incentives we need to change the trend on waste production. The event included a focused discussion on electronic waste recycling, an area where New York has fallen behind. DEC hopes to work with you to address this issue in the coming legislative session.

Another area we know is of particular interest to this Committee is enforcement of the Bottle Bill. This year, DEC's Division of Law Enforcement undertook a broad initiative to enforce the Bottle Bill. Among other things, Environmental Conservation Officers visited 650 stores in all corners of the state in a sweep to ensure that stores are complying with their obligations. The sweep resulted in the issuance of over 100 notices of violation.

### **Build a Toxic Free Future**

A third priority goal is to build a toxic free future, and several initiatives were undertaken to reduce toxics in our environment. DEC issued and held the first round of hearings on a draft hazardous waste siting plan – a plan that was supposed to be completed in 1987. A “Don't Flush Your Drugs”

campaign was developed to reduce the amount of pharmaceuticals entering the water and wastewater streams to address a new and growing concern.

DEC is playing a key role in implementing Governor Paterson's Executive Order 4. Under the EO, over 80 agencies and authorities are charged with developing sustainability programs that include reducing or eliminating toxics use, reducing, reusing and recycling solid waste, increasing the use of renewable energy, and reducing energy and natural resource consumption. DEC and OGS Co-Chair an interagency committee responsible for both implementing the EO and developing green specifications for 36 products per year. The first round of specifications, focused on electrical equipment and appliances, transportation, and office operations, is almost ready for public review. DEC has been actively involved in designing the infrastructure for EO 4 implementation, including the development of training materials, reporting forms, green specifications and waste and paper use reduction goals. EO 4 will save agencies money, reduce their environmental footprint, and spur green economic development within the state.

#### *Pollution Prevention Institute*

The Pollution Prevention Institute is a key component of our efforts under this priority. Following a formal procurement process, DEC awarded the contract for the Institute to a collaboration of public and private universities led by the Rochester Institute of Technology (RIT). RIT has partnered with the University of Buffalo, Clarkson University, the Rensselaer Polytechnic Institute and the ten NYSTAR-sponsored Research, Technology & Development Centers located throughout the state.

The Institute provides direct assistance to New York businesses to improve their process efficiency, reduce material and energy waste, improve worker safety, and eliminate the use of toxic substances.

The Institute offers unparalleled capabilities in the fields of remanufacturing, polymer processing, toxics reduction, resource conservation, environmental engineering, bio-fuels testing, and green chemistry. Services are delivered in four key areas: direct assistance to businesses, professional training, community grants, and research, development and diffusion.

Since its inception in March 2008, the Institute already has 37 projects under development with

New York State businesses and organizations, two with statewide facilities. By the close of the first contract year, the Institute will have commitments for a minimum of 50 client assistance projects. As a result of the Institute's work, Tecmotiv, a Niagara Falls-based company that remanufactures military engines, reduced its operating costs by 30%, saved over 32,000 kilowatts of electricity, and eliminated nearly 5,800 pounds of waste. This is just one of many examples. With our state's wastewater treatment infrastructure in desperate need of maintenance, the Institute will be assessing ways to reduce industrial wastewater discharges.

The collegiate partners provide 16 unique test beds, a type of demonstration facility that allows for rigorous and replicable testing of technologies and tools. Operations include surface cleaning, printing, electronics manufacturing, green supply chain management, polymer processing, and bio-fuels testing to name a few. These facilities are used to target immediate problems that businesses face today, as opposed to longer term projects. Furthermore, the Institute solves problems that have a deep impact across industry sectors and that are transferable to other businesses.

The Institute's Community Grants Program provides funds to schools, not-for-profit organizations and local governments. In its first round, the Institute received 41 applications totaling over \$700,000 in requested funding. Proposals hailed from Harlem to Rochester, from Brooklyn to Schenectady and included a broad range of public initiatives.

A total of \$3 million in a designated Environmental Protection Fund category is the funding source for this unique approach to reduce pollution, resource consumption and waste at the beginning, rather than at the end of the process. These efficiency improvements in turn will enable New York businesses to remain competitive, reduce their liabilities and improve their financial returns on investment.

The Institute represents an unprecedented dual investment in both the economy and environment of New York State.

## **Connecting New Yorkers with Nature**

Commissioner Grannis' fourth priority is to connect New Yorkers with nature, and to promote environmental education and outdoor experiences for all. We have had a number of significant successes in this area this year:

1. Passage of DEC Departmental #4-08 – Junior Hunting and Trapping Mentoring. After many years of advocacy from the hunting community and your colleague Assemblymember DelMonte, this hunting season marked the first time young people aged 14 and older are able to hunt big game with a firearm under supervised conditions.
2. DEC summer education camp attendance grew to a record 1,541 young people this past summer, an increase of 343 from last year. We also had a significant increase in the diversity of campers. In 2007, there were 172 diversity campers; this year we had 290 diversity campers.
3. DEC negotiated a landmark agreement to open up roughly 19,000 acres of land owned by the New York City DEP in the city's Catskill watershed for recreational uses such as hiking, hunting, trapping and fishing, providing significant eco-tourism opportunities and addressing longstanding concerns about inconsistent rules for adjoining city and state lands.

## **Safeguard the State's Unique Natural Assets**

A fifth priority is to safeguard New York's unique natural assets. Last year, DEC created an Office of Invasive Species to coordinate all activities for preventing and mitigating the impact of invasive species on New York's natural resources. This year, DEC strengthened its campaign to prevent the spread of invasives by promulgating emergency regulations limiting the movement of firewood to within 50 miles of its origin. DEC will be issuing a draft regulation shortly to make this critical protection permanent, in particular to prevent the spread of Emerald Ash Borer, which would devastate New York's ash forest resources and harm New York's baseball bat industry. Our past efforts have prevented the spread of such damaging species as the Asian Longhorned Beetle upstate, which is now plaguing areas of Massachusetts, and we successfully eradicated the Northern Snakehead, a truly frightening invasive species of fish, when it was found in the Hudson Valley.

DEC has also moved against another avenue for the spread of invasive species—ballast water on ships. Teaming up with the Office of Invasive Species and the Great Lakes Office, the Division of Water issued state conditions to the EPA permit for ballast water. Under those conditions, ships traveling in New York’s waters will, starting in 2012, have to meet some of the most robust controls in the nation for exchange and treatment ballast water, including strict standards for allowable populations of animals, plants, and microbes.

### **Environmental Justice**

Working for environmental justice is another priority, and we have successes here as well. DEC co-chairs the Environmental Justice Task Force established by Governor Paterson to ensure that all agencies are incorporating environmental justice concerns in administering their programs, and plays a role in assisting other agencies as they build EJ awareness. DEC’s Office of Environmental Justice implemented a focused outreach for the EJ grant program, and as a result we received the most applications for Environmental Justice grants ever. All \$1.6 million in grants available for this fiscal year, including all unspent funds previously appropriated were awarded to 50 different organizations in October.

A community-based “Stop Smoking Diesel Trucks” enforcement initiative was piloted early in 2008 and has since been expanded. This initiative targets emissions from trucks to stop air pollution, particularly in areas with high traffic and asthma incidence rates. We started with Harlem, the Bronx, south Albany, and will be expanding it to other environmental justice communities. We plan to replicate this initiative around the state as resources allow.

### **Oil and Gas Drilling**

One area which has required significant unanticipated staff resources is the Division of Mineral Resources, which has been responding to recent interest in drilling for natural gas in the Marcellus shale formation underlying the vast majority of the Southern tier and Western Catskills. DEC staff participated in numerous public information sessions across the state, at the request of several local governments, county farm bureaus and landowner groups. In addition, both this Committee and the

New York City Council held hearings at which Commissioner Grannis testified about issues related to natural gas drilling.

To address the potential environmental issues of the proposed drilling, DEC has begun preparing a supplemental generic environmental impact statement (SGEIS) for oil, gas and solution mining. Today, DEC is holding the last of six public hearings on the draft scoping for the SGEIS prior to reviewing all public comments and developing a draft SGEIS. This critical undertaking has resulted in a shift in time priorities as DEC works to ensure that any new environmental considerations are adequately and appropriately reviewed. We expect that we will have a future need to dedicate staff resources to this program, as it is vitally important that we ensure vigorous oversight and timely review of permit applications.

### **Environmental Protection Fund**

The Environmental Protection Fund (EPF) remains one of the most important tools for investing in the environment, and we thank you for your ongoing support of the EPF and the broad range of capital programs that it funds. In difficult economic times, it is essential to remember the importance of these types of long term investments in our quality of life, and be mindful that a significant portion of EPF funds flow to our municipal partners, helping them meet their local needs without relying exclusively on property taxes.

The 2008-09 enacted budget increased the EPF to a record \$255 million, and through mid-November, \$123 million in EPF funds have been disbursed. Between 35 and 40 percent of EPF funds are administered by DEC. Other state agencies, including the Office of Parks, Recreation and Historic Preservation, the Department of State, the Department of Economic Development, and the Department of Agriculture and Markets, are responsible for other EPF programs. DEC has no oversight over the EPF appropriations handled by sister state agencies, but shares an interest in their success in furtherance of our environmental mission.

Of the EPF categories under DEC's jurisdiction, the largest is land acquisition; since the inception of the EPF, land acquisition has made up roughly one-quarter of the total appropriations, and rose to

\$66 million in 2008-09. Thus far in 2008-09, DEC has closed on 28,342 acres of fee and 8,393 acres of easements (a total of 36,645 acres) using \$31.4 million of EPF resources. Over the last two fiscal years, DEC preserved 140 acres on Long Island for more than \$21 million. And in the past several years, New York has invested over \$100 million in working forest easements in the North Country. Both of these types of acquisitions play an important role – fee acquisitions protect the special places that are essential to ecotourism, water quality protection, recreation, or quality of life, while conservation easements help stabilize New York’s significant forest products industry, keeping people employed in mills and harvesting timber. We anticipate that by the end of the fiscal year we will be either closed or near to closing transactions to fully exhaust the land acquisition line of the EPF.

Over the past two years, DEC has undertaken to disburse EPF funds more expeditiously, as have our sister agencies, to take advantage of the increased EPF funding levels. This has been reflected in our improving rates of disbursements in individual programs and overall. For example, since April 1st, DEC has disbursed \$10.8 million to municipalities for recycling grants and encumbered (executed contracts with municipalities) an additional \$10.7 million. This year’s appropriation was \$10.8 million, so this represents a significant improvement in spending under this program. Our success in this category was directly related to assigning one additional staff person to manage these contracts. As a second example, since April 1st, the Department has expended \$4.3 million on stewardship projects – such as investments in our campgrounds, access sites, trails, or buildings, and put an additional \$7.8 million under contract. This rate of progress is a direct result of the Commissioner’s focus on the effective and timely expenditure of EPF funds.

### **Fighting for Federal Funds**

Providing DEC staff with the funds that they need to do the job goes beyond the support which you have provided in the State Budget. DEC implements a large variety of federally-mandated air, water and hazardous waste programs which have faced serious federal funding cuts over the past decade. To date, New York’s House and Senate members have been supportive of the requests which Commissioner Grannis has made for additional funds. Because Congress has not yet completed action on the appropriations for the current federal fiscal year, the status of our funding

requests for this year remains uncertain. I am confident, however, of the continuing support of our Delegation and the incoming Administration for New York's environmental activities. Your voice, when added to Governor Paterson's and Commissioner Grannis', is vitally important to ensuring that Congress fully understands the importance of appropriating the funds that we need to effectively implement these federal mandates.

One issue rises among others in its need for federal funding: aging wastewater infrastructure. We worked to raise awareness of New York's need with the New York Congressional Delegation and Congressional leadership. Prompted by Chairman Sweeney, DEC conducted a study reviewing the status of wastewater treatment facilities in New York State, and provided recommendations for the future. The study, issued earlier this year, found that the need for wastewater infrastructure will be a stunning \$36 billion over the next 20 years. Failure to address the aging infrastructure threatens to erode the significant progress we have made in water quality, and it represents a daunting burden for municipalities. We have tremendous concern about how our state and local governments will address this current and future need; Governor Paterson established the Clean Water Collaborative to explore solutions and strategies, and build the necessary support for federal funds. The need for a significant and sustainable funding source for wastewater infrastructure projects is our highest priority for federal support, and both Governor Paterson and Deputy Secretary Judith Enck have recently testified before House Committees on this topic. The Governor consistently advocates for this critical funding need in his discussions with Congressional leadership and the in-coming Obama Administration.

After several years of study, earlier this year the International Joint Commission (IJC) recommended a new protocol to regulate water levels on Lake Ontario and the St. Lawrence River. Pursuant to the 1909 Boundary Waters Treaty between the United States and Canada, the IJC is charged with working with both countries to promote the wise use of resources such as Lake Ontario and the St. Lawrence. Unfortunately, the protocol that the IJC released, known as "Plan 2007," failed to meet the environmental and economic needs of these two critical waterbodies and the areas which border them.

Governor Paterson took the lead in opposing the IJC's action, by writing to Secretary of State Condoleezza Rice, asking for her intervention. Working with the affected members of the New York Congressional Delegation and many Great Lakes interest groups, DEC convinced the IJC to withdraw Plan 2007. The IJC is now working with the State and our Canadian counterparts to produce a much more environmentally and economically appropriate water regulation protocol.

In terms of other federal issues, both the House and Senate this year graciously invited us to advise them on a variety of issues which are vital to our ability to deliver services effectively. At the invitation of Congressional committees, Commissioner Grannis and other DEC staff presented testimony before Congress on issues ranging from the treatment in federal law of areas which are defined as wetlands; effective federal regulation of ballast water; support for on-going state efforts to regulate greenhouse gases; and the rejection of EPA's Clean Air Interstate Rule by the U.S. Court of Appeals for the District of Columbia. We also have commented extensively on several significant amendments to federal regulations – such as the Department of Interior's proposed changes to the Endangered Species Act regulations – which have the potential to significantly impact how we do our job.

### **More to Come**

Finally, I would like to point out that more innovations are on the way. DEC staff are looking at technologies to speed permit and grant application approvals. Actions that will promote the Governor's overarching themes of sustainability, smart growth and energy conservation are being discussed throughout the agency. I believe that DEC staff is meeting the Governor's challenge to reinvigorate this agency, and bring it into the 21<sup>st</sup> Century, even in the face of our fiscal problems.

Because we are operating in difficult financial times, and still striving to build a more effective and efficient agency, it is more critical than ever that any new initiatives be accompanied by appropriate resources. Commissioner Grannis wanted to express his hope that any new programs, mandates, or task forces that you may consider in the coming legislative session be examined in the harsh light of our budget constraints.

While it is clear that the funds appropriated for 2008-09 are being well spent, it is equally clear that there are new challenges ahead for us as we continue to achieve our mission while struggling with fiscal constraints. Chairman Sweeney, Commissioner Grannis and I and the extraordinary staff at DEC look forward to working with you and your colleagues to address these and other issues as we shape DEC's budget for 2009-10.

Thank you for this opportunity to testify.