

ONE HUNDRED TWELFTH CONGRESS
Congress of the United States
House of Representatives
COMMITTEE ON ENERGY AND COMMERCE
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WASHINGTON, DC 20515-6115

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July 11, 2011

The Honorable Fred Upton
Chairman
Committee on Energy and Commerce
2125 Rayburn House Office Building
Washington, DC 20515

Dear Chairman Upton:

On June 27, 2011, you and the chairmen of three subcommittees released a majority staff report about EPA grants to foreign governments and organizations. I am writing to express serious concerns about the accuracy of this report.

Your report concludes that EPA has “intensified its foreign grants program, doling out over \$27 million overseas” since February 17, 2009, which is the day the stimulus was signed into law.¹ In a press release accompanying the release of the report, you state that EPA has “ramped up” foreign grants and done so “at an alarming rate.”²

These statements are not supported by the facts. The majority report appears to be based on a fundamental misunderstanding of the EPA grants database and how the grants program works.

¹ Memorandum to Members of the Committee on Energy and Commerce from Subcommittee on Oversight and Investigations Majority Staff (June 27, 2011) (online at <http://republicans.energycommerce.house.gov/Media/file/PDFs/062711MajMemorandum.pdf>).

² Committee on Energy and Commerce, *Report Reveals EPA has Ramped Up Foreign Handouts, Sending Millions to China, Russia, and the United Nations Despite Record Deficits, Looming Debt Ceiling, and Soaring Unemployment* (June 27, 2011).

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Your report identified 65 grants that you claim were awarded since the stimulus became law.³ In fact, 38 of these 65 grants – more than half – were initiated by the George W. Bush administration. Far from “ramping up” grants to foreign governments, the Obama administration in most cases appears to be fulfilling grant commitments originally made during the previous administration.

Your staff also made a basic accounting error. For each of the 65 grants, the majority report assumes that the entire amount was awarded in 2009 or 2010. This is not the case for most multi-year grants. The EPA grants database reflects all funds obligated to a grantee over the life of the project to date and the most recent date on which the grantee received a payment out of that grant.⁴ Your report wrongly assumes that a project receiving one payment out of a multi-year grant in 2009 or 2010 received the entire lump sum in that year. The EPA grants database does not work this way, as a simple inquiry to the agency would have revealed.

One example illustrates the shortcomings of this analysis. The first grant on your memorandum’s list of 65 grants is a \$7.6 million grant to Russia for “technical assistance.” The award date is listed as March 11, 2009. In fact, the Obama administration did not initiate this grant, nor did the grantee receive \$7.6 million in 2009.

The Bush administration initiated this particular grant in 2003 to help fund the International Science and Technology Center (ISTC), which was established by an international agreement between the United States, the European Union, and Russia. According to the State Department, a survey of Russian scientists with weapons expertise found that 20% of respondents would consider working in North Korea, Syria, Iran, or Iraq for a year or more.⁵ The worthwhile goal of the ISTC grant was to provide former weapons scientists from Russia and the former Soviet Union with new opportunities for employment and help prevent proliferation of weapons of mass destruction.

My staff asked EPA how much the agency actually paid ISTC in 2009 as a part of this grant. According to EPA, the Obama administration gave ISTC just over \$1 million in 2009 – not \$7.6 million as you reported.

³ Committee on Energy and Commerce, *EPA’s Foreign Grants Since the Stimulus Became Law* (online at <http://republicans.energycommerce.house.gov/Media/file/PDFs/062711EPAs.pdf>).

⁴ Sometimes, the “Award Date” in the grants database simply indicates the date on which EPA awarded an extension to the grant.

⁵ U.S. Department of State, *Nonproliferation of WMD Expertise* (online at www.state.gov/t/isn/c12265.htm) (accessed July 5, 2011).

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This accounting error makes your report fundamentally inaccurate. Your report asserts that EPA awarded \$27 million in 65 foreign grants in 2009 and 2010. In fact, the 38 grants initiated under the Bush administration account for \$21 million of the \$27 million obligated for these 65 grants. Your report does not support the claim that EPA under the Obama administration has increased its grant-making to foreign countries.

I, therefore, respectfully request that you retract this report pending a more careful and accurate review of the underlying grants.

Finally, I would like to express concern about what your report signals regarding bipartisan support for U.S. engagement in the world. The majority report implies that EPA's foreign grants are of "questionable benefit for the American people" and a waste of taxpayer money, no matter what the goal of the grantee.⁶ In another majority document, the grants are described as "'feel good' environmental projects."⁷ This is certainly not the case for the ISTC funding, which was awarded to help prevent the proliferation of weapons of mass destruction. Other EPA grants are designed to reduce environmental pollution with global impacts that affect the United States. Two of the grants criticized in your report, for example, are designed to help China reduce its emissions of persistent and toxic air pollutants, including mercury and PCBs, which can be transported to the United States.⁸ Other grants are aimed at reducing emissions of greenhouse gases, which are contributing to climate change and the rash of fires, floods, and droughts afflicting the United States.⁹

The United States does not exist in a bubble. What happens in other nations can have a profound impact on our nation. That is why sustained U.S. international engagement by EPA and other federal agencies is essential.

Sincerely,



Henry A. Waxman
Ranking Member

⁶ Memorandum to Committee on Energy and Commerce Committee Members from Subcommittee on Oversight and Investigations Majority Staff (June 27, 2011) (online at <http://republicans.energycommerce.house.gov/Media/file/PDFs/062711MajMemorandum.pdf>).

⁷ Committee on Energy and Commerce, *Second Quarter Report* (July 6, 2011) at 7.

⁸ See grants X4-83192101 and X4-83446801. At the July 9, 2011, markup of H.R. 2401, Rep. Walden discussed his concern that toxic air pollution from China is affecting Oregon.

⁹ See, for example, grants XA-83368101 and XA-83396501.

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cc: The Honorable Cliff Stearns
Chairman
Subcommittee on Oversight and Investigations

The Honorable Diana DeGette
Ranking Member
Subcommittee on Oversight and Investigations

The Honorable Ed Whitfield
Chairman
Subcommittee on Energy and Power

The Honorable Bobby L. Rush
Ranking Member
Subcommittee on Energy and Power

The Honorable John Shimkus
Chairman
Subcommittee on Environment and the Economy

The Honorable Gene Green
Ranking Member
Subcommittee on Environment and the Economy