

NATIONAL PRESS CLUB LUNCHEON WITH LISA JACKSON

SUBJECT: THE STRIDES THE EPA MADE IN 2009 AND TO OFFER A GLIMPSE AT THE AGENCY'S PRIORITIES FOR 2010

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ALAN BJERGA: (Sounds gavel.) Good afternoon, and welcome to the National Press Club. My name is Alan Bjerga. I'm a reporter for Bloomberg News and President of the National Press Club. We're the world's leading professional organization for journalists, and are committed to our profession's future through our programming and by fostering a free press worldwide. Noting today's speaker, we also purchased wind power to meet 100% of our energy needs. For more information about the National Press Club, please visit our website at www.press.org. To donate to our programs, please visit www.press.org/library.

On behalf of all our members worldwide, I'd like to welcome our speaker and attendees at today's event, which includes guests of the speaker, as well as working journalists. I'd also like to welcome our C-SPAN and Public Radio audiences. After the speech concludes, I will ask as many questions as time permits.

I'd now like to introduce our head table guests. From your right, Bob Perciasepe for the EPA, Neil Roland of Automotive News, Diana Marrero, Washington Correspondent for the *Milwaukee Journal Sentinel*, Kim Chipman, environment reporter for Bloomberg News, Rod Kuckro, editor at Platts, Andrew Schneider, associate editor for Kiplinger Washington Editors and the chairman of the National Press Club Speakers Committee. Skipping over our speaker, we have Alison Fitzgerald, investigative reporter for Bloomberg News and a Speakers Committee member, who organized today's event. Darren Samuelson, senior reporter for Environment and Energy Publishing, Herb Jackson

of *The Record* of Bergen County, New Jersey, and Dipka Bhambhani of Clean Skies News.

Our speaker today is at the center of a lot of interesting issues of today's Washington. EPA administrator Lisa Jackson, who in December declared greenhouse gas emissions a threat to the public welfare, is being criticized by Senators and Congressmen from both parties, and is being sued by at least three states. She is at the center of the debate between those who think the government should require businesses to cut global warming emissions and those who say such a move would harm an already fragile economy.

Senator Jay Rockefeller and several fellow Democrats are asking her to wait two years before regulating carbon emissions they say will harm their coal producing states. Republican Senators, led by Lisa Murkowski of Alaska, want to go even further and stop her from ever regulating such emissions. The governors of Texas, Virginia and Alabama, meanwhile, have all sued her, claiming her plans will kill jobs.

In response, Ms. Jackson has agreed to delay regulating carbon emissions until the end of the year. Still, she plans to go ahead and issue rules for greenhouse gas emissions by next month, as Congress has failed to create a cap and trade program to cut global warming emissions.

Global warming isn't her only issue, of course. In her first year at EPA, Ms. Jackson's agency set the first new national smog rules in 35 years, and is now reviewing the rule of governing chemical use and consumer products for the first time in three decades. She's set to finalize, next month, new miles per gallon rules on cars. And, she finalized rules to cut cargo ship pollution by 80%.

Jackson is the first African-American to serve as EPA administrator. Before leading EPA, she was chief of staff to New Jersey's governor, John Corzine, and commissioner of that state's Department of Environmental Protection. Please welcome to the National Press Club EPA administrator Lisa Jackson.

[applause]

LISA JACKSON: Alan, thanks so much for that provocative introduction. And, good afternoon, everyone. I have to admit to being a little bit sleep deprived this afternoon. Like a lot of you, I was up watching the Oscars last night. And so, if any of you saw my Twitter feed, you know I predicted *Avatar* to win Best Picture. So, I missed the mark on that one a little bit. But, even if the movie with the environmental message didn't win, I was so proud to see Best Picture go to the movie with a woman director.

Today I'm happy to have a chance to bring you the best of both of those two experiences for our speech today. And, as I get into my speech, I ask you to remember that the movie with the environmental message has actually made a lot of money.

[laughter]

I truly am grateful for the opportunity to speak about how the good people at the Environmental Protection Agency have been making history. We have restored the rightful place of sciences, the first factor in all of our decisions. We've developed and implemented rules that will protect children, keep people healthy, and save lives. And, we've taken long, overdue action on climate change, including a revolutionary Clean Cars Program built on the historic finding that greenhouse gas pollution endangers public health and welfare.

Now, on that last point, the overwhelming scientific evidence was recently met with arguments that Washington, D.C. experienced an unprecedented blizzard and record snowfall this winter. As if an unexpected change in our climate somehow disproves climate change.

Today, I want to talk about a misconception that threatens to do more harm to our progress as a nation than the carping over climate science. And, that's the misconception that we must make a choice between cleaning up our environment and our growing economy.

I've worked in environmental protection for 20 years. I've seen meaningful environmental efforts met time and again with predictions of lost jobs and revenue. Lobbyists and business journals have done such a good job of engraining it into our way of thinking that many of us believe, sadly, that we must choose between our economy and our environment.

The people in my line of work haven't done the best job of communicating outside of this debate. We've lost the messaging war, and we have to do work to prevent the alternative. But, it helps that history and the fact bears out. I'm here to show you, today, that the choice between the environment and the economy is, indeed, a false choice.

Well-conceived, effectively implemented environmental protection is good for economic growth. Let me repeat that. Environmental protection is good for economic growth. Now, don't get me wrong. Environmental regulations are not free. But, the money that's spent is an investment in our country, and one that pays for itself. Alright.

Environmental protection makes us healthier. It eliminates contributors to costly and often deadly diseases like asthma, cancer, and heart disease. My youngest son is one of 23 million Americans with asthma. I know the financial and emotional burden of hospital visits and doctor's appointments.

When the air is dirty or the water is contaminated, and people are getting sick, those kinds of health costs are multiplied by millions of families. And, they're a burden to small businesses trying to provide healthcare to their workers.

Good environmental protection is critical to our health. And, because of that, it's critical to our economy. Second. Environmental protection makes our communities more prosperous and our workforce more productive. Those of you with kids in college will understand the words of the man who said to me, "Businesses come to communities like parents come to colleges. They look at the environment to make sure it's healthy. They look at the people to make sure they're getting what they need to thrive. They want to know that this place means a better future. And, they don't put their money down if they don't like what they see."

This is something we see all the time in our ongoing work on environmental justice, the idea that environmental degradation is an obstacle to the economic prosperity is a pillar of the environmental justice movement. And, in a place where new jobs are needed the most, environmental degradation is an entry barrier for new investments and businesses.

It's what we see in inner cities, where air pollution makes kids miss school and workers stay home. It's what we see on tribal lands, where open landfills are rampant, and drinking water is polluted. Earlier this year, I met with a tribal leader who told me that his community was facing 50% unemployment.

It's what we see in Greenville, Mississippi, which is having trouble attracting jobs because their water, even though it meets federal safety standards, is brown in color. Poison in the ground means poison in the economy. A weak environment means a weak consumer base. And, unhealthy air means an unhealthy atmosphere for investments.

But, a clean, green healthy community is a better place to buy a home and raise a family. It's more competitive in the race to attract new businesses, and it has the foundation it needs for prosperity. These are two reasons why our environment is essential to our economy.

But, what I want to focus on today is the vital role environmentalism plays for a critical driver of our economic success. Our capacity for innovation and invention. Just yesterday, Thomas Freedman wrote that America still has the best innovation culture in the world. He immediately followed that by saying, "But, we need better policies to nurture it."

This is what smart environmental protection does. It creates a need. In other words, a market for clean technology. And then, it drives innovation and invention. In other words, new products for that market. This is our convenience route, smart environmental protection creates jobs.

Now, that might be a difficult idea for some folks to handle. So, before I go any further, let me lay out some common ground. Everyone wants a clean environment. Ten out of ten Republicans surveyed want clean air to breathe. Ten out of ten Democrats think safe water is important. Ask all 20, and they'd actually agree.

As a *Boston Globe* editorial put it last week, even anti-government protestors know it's no fun having a tea party with contaminated water. [laughter] I receive as many letters from red states as I do from blue states, from New Bedford, Massachusetts to Tower Creek Oklahoma.

Last year, an amendment for EPA to locate residents away from lead pollution in Treece(?), Kansas was sponsored by Republican Senators Brownbeck, Roberts, and even my good friend, Senator James Inhofe. Senator Roberts called it one of the rare instances of true bipartisan support.

Oftentimes, the same offices that are blasting out press releases on the overreach of faceless EPA bureaucrats are also asking those same bureaucrats for help. That's a textbook example of irony. And, it's all too evident in today's politics. When it comes to people's health, everyone wants strong environmental protection.

Everyone also wants the strong economy. We all want robust job growth. No one favors higher costs of starting businesses or manufacturing products. I have two teenage sons, which means I buy a lot of stuff. I am active American consumer. And, the last thing I want to see are higher prices for food or utility bills or shoes or clothes.

But, we all want a clean environment, and we all want a strong economy. What you may not realize is that we have all seen proof that we can have both. In the last 30 years, emissions of six dangerous air pollutions that cause smog, acid rain, lead poisoning and more, decreased 54%. At the exact same time, gross domestic products grew by 126%. That means we've made huge reductions in air pollution at the same time that more cars went on the road, more power plants went online, and more buildings went up.

The question is, how does that happen? The answer is innovation. Innovation is the sweet spot. It's where our economic and environmental interests meet. It's where business leaders and conservationists can come together, to hash out solutions, solutions that have filled American history with environmental achievements and helped us lead the global economy.

America is home to a world-leading environmental technology industry. By conservative estimates in 2007, environmental firms and small businesses in the U.S. generated \$282 billion dollars in revenues and \$40 billion dollars in exports, supported 1.6 million American jobs. And, that number doesn't include all the engineers and professional services firms that support those businesses.

Take, for example, New Jersey's Engelhard Corporation, which led the commercial production of the catalytic converter. If you drove here today, your car had a catalytic converter in it to burn unleaded gasoline. Today, those things are standard. But, 30 years ago, when EPA used the Clean Air Act to phase in unleaded gas and catalytic converters, they were extremely controversial.

Many major automakers opposed them. The Chamber of Commerce claimed-- and I quote-- "Entire industries might collapse." Using the Clean Air Act in this way was said to be a poison pill for our economy, something that sounds all too familiar around Washington today. Yet, the auto industry survived. Dangerous lead pollution in our air is 92% lower than it was in 1980.

By 1985, the reductions of lead in our environment had estimated health benefits of \$17 billion dollars per year. The initial cost of the rule was paid back 10 to 13 times over. And, in 2006, the Engelhard Corporation was bought for \$5 billion dollars. That's just one good example of how it works. A new environmental rule led to new innovations, which led to new jobs.

Now, those of you too young to remember the switch to catalytic converters may remember the phase-out of ozone-depleting CFCs. Remember CFCs? They were the chemicals in aerosol cans and other products that led to a growing hole in the ozone layer. I remember a lot of people wondering if they were going to have to give up hairspray, or their deodorant, and not being too happy about it. And, they weren't the only unhappy ones.

The chemical industry predicted severe economic disruptions. Refrigeration companies forecasted shutdowns of supermarket coolers and chiller machines used to cool office buildings, hotels and hospitals. Companies that used CFCs in manufacturing believed the transition would be next to impossible.

The doom and destruction never came to pass. Refrigerators and air conditioners stayed on. When innovators took up the manufacturing challenge they found alternatives that worked better than CFCs. Some developed new technology that cut costs were actually improving productivity and quality. And, by making their products better and cleaner, the American refrigeration industry actually gained access to overseas opportunities.

These examples speak to a long history of innovation, new jobs, and better health through environmental protection. Yet, many still claim the regulation is too costly and believe that scaling back is the best thing for growth. Well, we've already seen that in action.

The theory that less regulation ought to be good for the economy was put to the test in the last administration. In that time, there was no apparent benefit for businesses or consumers. Prices on most products went up, and costs of fuel increased astronomically. Any savings that may have been expected for businesses certainly didn't translate into higher wages for American workers.

In fact, the health impact for millions of Americans suffering from asthma, cancer and heart disease, coupled with a steady rise in health insurance costs, created yet another level of expense for families and businesses.

Today, we are slowly but surely pulling up and out of the economic downturn. But, many of our communities don't have what they need to rebuild. It's not accident that so much of the recovery act is environmentally focused, and no wonder that so much of it is based on clean energy innovation, the wind and solar and smart grid investments that have been made, just in the last year.

But, clean energy and community cleanup jobs in the recovery act are just the beginning. The question we face now is, what can we at EPA do to protect our environment, strengthen our communities, and also foster prosperity? One of the clear answers is abandoning the old disputes and working in partnership on new innovations.

Partnerships like the Clean Cars Program, which took shape when President Obama brought together automakers, autoworkers, governors from across the country, and environmental advocates to craft an historic agreement. Cleaner car standards will mean 950 million tons of carbon pollution cut from our skies, \$3,000 dollars in savings for drivers of clean cars, and \$2.3 billion dollars that can stay at home, in our economy, rather than buying oil from overseas.

It will also mean new innovation. American scientists can step up to produce new composite materials that make cars lighter, safer and more fuel efficient. Our inventors and entrepreneurs can take the lead in advanced battery technology for plug-in hybrids and electric cars. And, manufacturers across the country can produce these new components, which they can sell to automakers in the U.S. and around the globe.

New environmental protections, new innovations, means new jobs. This is the direction we are moving in 2010 as well. EPA has already proposed new smog reductions and finalized the first NO₂ standards in 35 years. We're developing air pollution standards that we know will foster innovation. And, we're working in partnership with utility companies to figure out how we get there.

We're both in the production and use of advanced biofuels, to double our use of renewals, renewables, and break our dependence on foreign oil. That will benefit rural communities, spark new demand. And, with clarity on where the regulations stand, promote investments and research to expand the effectiveness and uses of renewable biofuels.

And, of course, we will continue to face down our climate crisis and move into the clean energy future. As you might expect, we're running into the same old tired arguments. Once again, industry and lobbyists are trying to convince us that change will be absolutely impossible. Once again, alarmists are claiming that this will be the death knell of our economy. Once again, they are telling us we have to choose: economy or environment.

Most drastically, we are seeing efforts to further delay EPA action to reduce greenhouse gases. This is happening despite the overwhelming science on the dangers of climate change, despite the Supreme Court's 2007 decision that EPA must use the Clean

Air Act to reduce the proven threat of greenhouse gases, and despite the fact that that leaving this problem for our children to solve is an act of breathtaking negligence.

Supposedly, these efforts have been put forward to protect jobs. In reality, they will have negative economic effects. The Clean Cars Program could be put on indefinite hold, leaving American automakers, once again, facing a patchwork of state standards. Without a clear picture of greenhouse gas regulations, there will be little incentive to invest in clean energy jobs. America will fall farther behind our international competitors in the race for clean energy innovations.

Finally, the economic costs of unchecked climate change will be orders of magnitude, higher for the next generation than it would be for us to take action today. I can't, in good conscience, support any measure that passes that burden onto my two sons or to their children. I find it hard to believe that any parent could say to their child, "We're going to wait to act."

This debate also has us argue over something that the American people and many businesses have already decided on. Recent years have seen a growing grassroots environmentalism that is directly tied to our economy. Informed consumers are demanding more of their products. Business leaders are recognizing cost-saving potential of energy efficiency and sustainability. And, they are putting serious money into innovation.

This is a grassroots environmental movement that votes with its dollars. Seven in ten consumers say that they will choose brands that are doing good things for people and the planet. Seventy-four percent believe that our companies should do more to protect our planet. And, more than half of Americans will look for environmentally friendly products in their next purchase.

These changes are happening. And, not on the margins of our economy. Wal-Mart, the largest retailer in the world, has set goals to use 100% renewable energy, to create zero waste, and to sell healthier, sustainable products. Two weeks ago, they announced a plan to cut 20 million metric tons of greenhouse gas emissions across the lifecycle of their products in the next five years. They made the announcement via webcasts on, of all places, Treehugger.com.

Proctor and Gamble, which produces Tide and Duracell and products that touch almost three billion people per day, is planning an announcement next week encouraging all their brands to shrink their environmental footprint. A General Mills factory in Minnesota is recycling old hulls(?) from their cereals for biofuel, and saving \$500,000 dollars in fuel costs in the process.

The appropriately named Green Giant is reducing pesticides and chemicals, water pollution, with sustainable farming. These are companies we all know and use, Timberland, Nike, The Gap, Best Buy, Starbucks. And, they are responding to consumer

demand. Consumers want to know that their products don't have hidden health and environmental costs.

Companies must respond to parents who refuse to buy baby bottles with BPA in them, or that leach dangerous chemicals into their drinking water. Industry can try to resist and ignore EPA. But I know, and they know, that they resist the forces of the green marketplace at their peril.

It's time to put to rest the notion that economic growth and environmental protection are incompatible. It's time to finally dismiss this false choice. We need a new approach, one that plays to America's greatest strengths of ingenuity, invention and innovation. We need to reclaim the leadership and the development of new protects that protect our health and our environment. And, we need to capitalize on the growing green marketplace here and around the world.

That approach would be a return to basics, which is appropriate for the EPA in 2010 because this year marks EPA's 40th anniversary. When EPA began 40 years ago, the first administrator, William Ruckelshaus, wrote, "The technology which has bulldozed its way across the environment must now be employed to remove impurities from the air, to restore vitality to our rivers and streams, to recycle the waste that is the ugly byproduct of our prosperity."

That is just as true now as what it was then. We can't retreat from a rapidly industrialized planet in the global economy. We must integrate conservation and a passion for planetary stewardship into the global rush towards economic growth. On the same token, the laissez faire and anti-government crowd must understand that ever-expanding economic opportunity is not possible without sustainability.

Without protection for the water, air and land that people depend on, we can only go so far. Without clean energy, the global economy will be running on empty without our lifetime. It's time to stop denying that obvious truth, stop playing on the politics of delay and denial, and start thinking more broadly about what is going to help us all move forward together.

Which brings me to my final point. Another piece of common ground we all share: We are all counting on the ingenuity and the creativity of the American people. Now, I'm done with the false choice between the economy and the environment. I want an EPA that is a leader in innovation, in innovations that protect our health and our environment and expand new opportunities. I'm not interested in leading an agency that only tells us what we can't to. I want to work together on all the things we can do.

This is about rising to meet our most urgent environmental and economic challenges, not shrinking from them, with the excuse that it's just too hard. That's never been a good enough answer for the American people. At no point in our history has any problem been solved by waiting another year to act, or burying our heads in the sand.

Progress is made by seeing. In our greatest challenges, all the possibilities for building a healthier, healthier, more prosperous future, and bringing the best we have to offer to the table. It's what we've done before. It's what we have to do again today. It's not something we can leave for tomorrow.

I want to thank you very much. And, I'm happy to take some questions.

[applause]

ALAN BJERGA: And, thank you for your time, Administrator Jackson. There is no surprise here, there are numerous questions on dealing with climate change. And, the first question, if you'll step up here and we'll address the audience, Christine Todd Whitman was on C-SPAN this morning. And, she was saying the climate change debate is so politicized, at this point, that the argument for legislation should be entirely about clean air and not about climate change. Are you concerned that recent controversy about climate change science will hurt chances for legislation this year? And, do you think that the climate message needs to be downplayed in favor of clean air?

LISA JACKSON: As head of the Environmental Protection Agency, I'm not going to be in favor of not giving the best science we can to the American people. And, the science is absolutely crystal-clear. There is certainly an organized effort to throw doubt in people's minds. And, there's some indication that it may be working on some level.

But, as head of the EPA, I believe I have to continue to stand here and make it crystal-clear that the science isn't unsettled, that we do know that our missions of greenhouse gases are accumulating in our atmosphere and interfering with the way the atmosphere is supposed to work. What it's doing is changing our climate. And, it means catastrophic problems for us going forward. So no, I can't, as head of the EPA.

Certainly, legislators are going to do what legislators do. And, politicians are going to do what they think is necessary, to make progress. But, what I hope is that we all keep our eye on the ball here, which is to transition to cleaner energy.

ALAN BJERGA: Given EPA's knowledge of the science and its priorities, why hasn't the administration sent legislative principals to Capitol Hill regarding its preferred approach on climate change?

LISA JACKSON: Well, I don't think there's been a bigger cheerleader for a transition to clean energy and a need for comprehensive clean energy legislation than President Obama. And, I've joined him several times, and will do again today, saying that we need Congress to act. We've seen the U.S. House of Representatives act. So now we're frankly waiting on the U.S. Senate.

And, I believe that the hope has been, all along, that the continuing efforts in the U.S. Senate-- and we have some continuing to go on as we speak here today-- will result in legislation that can pass that House and then the bill that the President can sign.

ALAN BJERGA: Is cap and trade the necessary system to slow climate change? Or, would a carbon tax or other methods work as well or better?

LISA JACKSON: That's a trick question. Listen. You know, the truth of the matter is that, of course people have varying ideas on how best to deal with climate change. And, also, really, how best to use the marketplace. My speech was about the marketplace, to incentivize the move to clean energy.

We know, right now, that between lawsuits that exist today, they exist right now. Forget the EPA. And, the fact that there is no price on carbon, that it's essentially free to put as much carbon dioxide into the atmosphere as you want, that there is a real chilling on the investment that needs to happen in clean energy technologies.

Now, the recovery act put a lot of money, public money, into clean energy technologies. But, this thing will not take off. The kind of innovation I just spoke about won't happen if we don't see private financing follow. And so, I do think there are other ways to put a price on carbon. Clearly, the President has talked a lot about the ease with which a cap and trade program fits into our economy. But, I know those discussions continue.

ALAN BJERGA: On the topic of market oriented mechanisms, your agency's budget for fiscal year 2011 says the EPA wants to examine this for cutting greenhouse gases. Now, some have taken that to mean that the agency might pursue carbon trading programs for some industries if the legislation for a cap and trade of the whole economy can't get through Congress. Would the EPA try to forge ahead with carbon trading if Congress doesn't pass the cap and trade bill?

LISA JACKSON: First, I refuse to speculate because I believe that Congress will step up to this challenge, hopefully sooner rather than later. I do think that people are over-reading a little bit of our budget language. EPA has a history of relying on market-based incentives in our regulation as it is. And, I don't think you should read into that, that we have some plan that folks don't know about to enforce a cap and trade regime. We don't at all.

But, what I've been really strong about is-- and, I think you heard in the speech-- the ability of the Clean Air Act to be used reasonably and sensibly to help move markets, to help drive innovation, to help bring along that transition to a clean energy economy-- and I've gone further. I've said the Clean Air Act and its use right now can be entirely consistent with legislation to come. There's no reason we can't do that and keep an eye on what's happening on the legislative front, and make sure we don't get to a place where those are in conflict.

ALAN BJERGA: Following on your statement that a cap and trade or carbon legislation will be passed sooner or later, let's say a comprehensive plan ends up being a little bit later than, say, 2010. Would a sector-specific bill for an area such as utilities be possible this year?

LISA JACKSON: Well, there are all kinds of-- I'm sure the questioner knows-- all kinds of alternate plans that folks are talking about now. I think there's one principle that we need to keep in mind. Energy truly does touch our entire economy in some way. And, because so much of our energy is fossil-fuel based, that means, as we move to cleaner forms of energy, we're going to have to touch practically all of our economy.

So, I think it's going to be very important, as people look at all these alternatives, to realize that, when you move away, the more you move away from an economy-wide approach, although you can make some progress, you again lose some opportunities to really harness that private sector investment to look at approaches that are win-win on all sides. And, I think that that is the one issue that I know we have to deal with when you start to narrow the focus.

ALAN BJERGA: Final question on climate legislation. For at least a bit, because I know that questions are still coming in. There is a discussion and word that Senators Kerry and Graham may release a draft climate bill next week. If they were to do so, how quickly could EPA have an economic analysis completed? [laughter]

LISA JACKSON: Alright, who's here from Senator Kerry's office? [laughter] EPA-- One of the strengths EPA has is an incredible staff of folks who have worked, for years, on what are generally thought to be state-of-the-art models. We model every regulation that we put in place. And we do it to look at the impacts on the economy.

My argument is, we've never looked at all the benefits to the economy. But, the modeling takes six to eight weeks. It takes a long time because the models are interrelated and quite complex. And so, from the time-- not that we get legislation, but that we get something that has the specifications to model, takes easily six weeks.

ALAN BJERGA: On other topics. Several months ago, the EPA postponed a decision on an ethanol waiver to raise the amount of allowable ethanol in fuel to 15%, but said a final decision would likely be made in mid-March, which is next week. Since we're about there, the questioner asks, care to make news on this issue today? [laughter] Are you still expecting a final ruling by mid-March?

LISA JACKSON: Well, questioner, I'm sorry, but I got to back up a little bit. So, EPA has already made final rules that really encourage the next generation of biofuels and grandfathers in the current supply of ethanol, corn-based ethanol, that's made in this country. That's been a big issue and one of real concern to people in rural America. They were afraid they'd lose that industry.

The waiver issue is a little different. It's how much ethanol can be in gasoline that you put in a variety of applications, obviously on cars but also other engines. And, it depends on testing. What I have said is that that testing needs to be complete because we don't want to find out that that ethanol blend has any unknown adverse consequences to engines. That's not good for ethanol, wouldn't be good for its future. It's certainly not good for the consumers, for the American people.

The testing will be done in March or April. It's being done in conjunction with the Department of Energy. And, we'll make decisions after that.

ALAN BJERGA: The U.S. auto industry has been given numerical fuel economy targets to meet for new cars and trucks they build. But, new and modified power plants, oil refineries and other stationary sources have been told they need to use the best available technology to control emissions. What is the best available technology going to be? Could you give some specific examples of the technologies that a new or modified power plant would use to comply with the EPA rules?

LISA JACKSON: Well now, somebody knows I'm an engineer by training. So, you know, it's very hard, as an engineer, not to talk about technology all the time. That's the speech. I believe technology is key to the challenge of climate pollution, just like every other challenge that we have.

The other thing about technology, though, is it is, especially in this space, rapidly evolving. And so, I think the best available control technology rubric comes from the Clean Air Act. It comes from an act that was fore-saw the need to constantly be ratcheting standards, depending on where best available control technology is. No, I'm not going to make news on what technologies are best for dealing with carbon today. But, you've heard about a range of those.

And, President Obama has put me as co-chair in charge of a taskforce to look at carbon capture and sequestration technologies, the idea that we need to be able to capture carbon dioxide pollution, and then put it somewhere, where it won't enter our atmosphere.

ALAN BJERGA: How do you respond to Republicans such as Senator Inhofe and Representative Sensenbrenner, who say that, without strong moves by China and India to curb global warming, the United States would be harmed economically?

LISA JACKSON: So, first I'd ask them to read my speech. I really think that we're missing an opportunity if we don't realize that the technologies that are going to be used to move us into cleaner energy, lower carbon, less water use, all those technologies are going to be important, not just here but to the world.

So, I would say there's no reason to wait for China and India to act, if we truly believe that there is a reason-- environmental and economic to act now. In fact, there's every reason not to wait. There's every reason to move forward as expeditiously as we

can so we don't see what seems to be happening continue, which is that we innovate, we invent, and then it goes overseas to be manufactured and use because there's no market for it here.

ALAN BJERGA: How do you respond to what some audiences overseas will say about a climate debt, that the rich countries, such as the U.S. and the European Union cause global warming, and should have to foot most of the bill?

LISA JACKSON: Well certainly, there are arguments about how, on an international stage, to really attack a problem like climate change. And, I think those discussions will continue. I don't have a specific answer on the concerns that climate debt raises. But, you can understand the underlying concern, which is, when you're talking about developed countries, and then you're talking about nations that are trying to develop, you can understand the equities and the needs of those nations to try to develop in a way that gives, first and foremost, their citizens access to energy, something we probably take for granted in this country every day.

The ideal, of course, is that, as those countries develop, they develop in a way that jumps over dirty energy and moves to cleaner forms of energy. So that, as they're growing-- and I think technical assistance is a wonderful way to help to ensure that. EPA has been doing a lot of that work. So have other parts of the government. As they develop, we can try to avoid some of the problems and some of the issues that we're now having to deal with, in retrospect.

ALAN BJERGA: You recently announced a review of the rules surrounding the use of chemicals in consumer products. Do you plan to require companies to disclose to the public research showing that the chemicals used in their products are safe?

LISA JACKSON: Well, I think the good news is that consumers are demanding to know what's in the products that they buy. And, more and more, that kind of right to know, based on the old Right to Know legislation, which has been so powerful for environmental protection as a whole, is foremost in their minds.

And, companies see that. I mean, my speech talked about the need for companies to prove to consumers, the ultimate end users, and not just individual consumers, but even corporate consumers, that the products they're buying are safe and sustainable. I believe we are literally on the brink of, finally, modernizing the chemical safety laws for this country.

And, when you think about the fact that they're 30 years old, and you think about the fact that they have been widely perceived-- not just by EPA, but by industry as well, it's toothless. I think we owe it to the American people to answer their increasing concerns and pleas for help. And certainly for me, as a mom, as a consumer, it's one of my seven top priorities for EPA while I'm here.

ALAN BJERGA: You have long said you will make your decisions based on sound science and the law. How do you make decisions when the science is uncertain?

LISA JACKSON: The science on climate change is not uncertain. But, there are pieces of science that are uncertain. And, as a scientist, as an engineer, I have a great faith and comfort level with the idea of peer review, independent peer review. And, I call for peer review all the time. You can talk to my staff. And, the first thing I'll ask is, "Where is this data from? Has it been peer reviewed?"

Because, as we learn more and more, as our instruments get more and more sensitive, as we learn about chemicals we never even knew existed and byproducts of processes that we never measured before, we have to. We owe it to the American people not to take that information and assume it for the worst, but to test and rigorously study.

And then, we also owe to them that we sum up all we know. And, in a timely manner-- not years from now, when it's too late, when they've already been potentially exposed, to give them the best information they have. And, that's what we're insisting on every day at EPA.

ALAN BJERGA: Your agency makes decisions every day that affect every American, which means communication is vital. On a scale of A to F, how would you grade EPA's communication effectiveness? And, how would you improve it?

LISA JACKSON: Well, I think my communication staff are here in the audience. Great job. [laughter] And so, I don't want them to get complacent, so I'll say strong B-plus, yeah. No, I don't think that's fair at all. I do think that EPA has to sometimes step back and realize that this EPA is sort of an iceberg.

About 90% of what we do as an agency is under the waterline, really invisible to the average American. But, the 10% that's above the line is the 10% that says there is a place in the federal government which has only one mission. That's clean air, clean water, safe products. That part of our mission, I think, we sometimes take for granted.

And probably, there's no challenge greater, as we look at our mission, than to make sure that people don't think that, because we have an EPA, I don't have to worry about it. We are rapidly reaching the point where EPA cannot do it without citizens taking actions in their own lives.

We can talk about cleaner cars. But, what will make this thing go is consumers who purchase them. So, I think it's very important that we not only continue to expand our conversation, and not just to environmentalists but to people of all backgrounds and all walks of life, people who don't think of themselves as environmentalists, but also make it clear that, just because EPA is here, or I'm at the EPA, that they don't have a job to do as well.

ALAN BJERGA: How does one involve more stakeholders beyond public interest groups and industry groups in the discussion on EPA?

LISA JACKSON: I think that question is a recognition or a nod towards the fact that one of our-- another of our seven priorities this year is expanding the conversation on environmentalism and working for environmental justice. Expanding the conversation is a mouthful. It means, who do you talk to? And, what do you say to them?

You know, I have a staff member who tells the story about how every year, his grandmother would get up as it started to get cold, and put plastic sheeting over her windows. And, I always tease him. "Well, I'm sure she didn't call herself part of President Obama's weatherization taskforce." And, she probably didn't talk about the need to transition to clean energy. But, she knew it affected her utility bills. She knew it made a difference in her quality of life. She is helping our agenda on clean energy and energy efficiency.

And so, we have to move to communities, to consumers, and help state governments and local governments to speak to those people, to speak to all people. And, I'm especially interested in speaking to people of color. Because, I think there's a myth out there-- sometimes true but not always-- that we have other things to worry about as communities of color.

And, I'm an African-American woman who grew up, you know, in the South in New Orleans. And, for me, I didn't come to the environmental movement because of its beauty. I came because I believe we have to fight pollution. As prosperous as we are as a country, we have to also insist on clean air and clean water and clean land.

ALAN BJERGA: Do you see offshore drilling as part of a smart climate change strategy?

LISA JACKSON: Yeah. You know, the President has called for, and I understand and agree with his belief, that our energy strategy has to be varied and should include increased offshore drilling when it can be done in a way that is protective of the environment. I also think it's important to remember, he's also called for other forms of offshore energy.

And, you know, I come from New Jersey, a state that has embraced the idea of offshore wind power as part of what it would like to see as its offshore energy mix of the future. So, I think the conversation about asking communities to think again about resources that it might have, as well as about energy efficiency, cutting down on how much energy you use in the first place is really important.

ALAN BJERGA: The EPA put out a list in late December identifying four chemicals that would face stricter labeling and reporting requirements. Why was BPA not one of them? Does this mean the agency won't regulate the chemical?

LISA JACKSON: I'll answer the second question first. BPA is a chemical commonly used in plasticizers. And, it's used very commonly in many consumer products. EPA is planning to finalize an action plan on BPA(sic) in the very near future. So, the folks who are worried about whether or not we've backed away from it shouldn't be worried at all.

But, I think the bigger news on BPA this year was the FDA's change in its regard for the chemical. I don't remember the actual bureaucratic term. But, essentially, we're finally at a place where our government is saying that there is real concern, and is starting to do the work to determine the level of that concern, and is actually even going far enough to say to consumers, in the meantime, "Here is how to minimize the chances that BPA will end up in water you drink or in water that you might consume, or in your bodies."

ALAN BJERGA: How do you plan to structure permitting for agricultural pesticide applications under the 6th Circuit Ruling in National Cotton Council versus EPA?

LISA JACKSON: Yeah, these are pretty good questions. So, the 6th Circuit Ruling on National Cotton Council basically says that you need a permit to apply pesticides that have any shot of running off the land and ending up in water. So, oftentimes, in agricultural use, pesticides are applied. They're not meant to end up in water, but they can end up in water.

And, that case is about the fact that people, especially need to have the right to know those pesticides are being applied, and the rate at which they're applied. So, it tells people that they need a permit. That's a huge undertaking, and it's one we're doing in partnership with the U.S. Department of Agriculture, and with many state agencies.

You can rest assured that that permit, when it goes out, because so many people in rural America are concerned about it, will be out for comment and will be done in a way that I think shows that we're building on programs that are already out there as we comply with the court ruling.

ALAN BJERGA: Reducing emissions from large ocean-going ships could cut carbon dioxide emissions dramatically. Will the EPA regulate global warming pollutants from ships that enter U.S. ports?

LISA JACKSON: You know, we've already taken, I think, historic steps on ocean-going vessels. There's a couple things to remember. That work has to be done in conjunction with the international maritime community. So, you know, we could probably regulate three miles or ten miles or something offshore. Many states have said that. But, real comprehensive legislation will come from regulating the ship engines in a way that we change the fleet over time to a cleaner, more efficient fleet.

The real success story with oceangoing vessels has been around particulate pollution. Our science has shown that, if you reduce the sulfur content of the fuels that are burned in those ships 100 miles offshore, you will have impacts if you do it in California, all the way to Kansas, in terms of air quality. You will see improved air quality from a simple step like that.

That's up, right now, in front of the international maritime organization for approval. EPA is really proud to work with the Coast Guard and our partners in Canada to insist on probably the most stringent-- I think, had it not been for EPA's, for the United States' effort to insist on stringent standards for the kind of oil that's burned in these ships, we wouldn't see a change. And so, we're certainly happy to continue that kind of thinking as we move forward.

ALAN BJERGA: How would you characterize the progress of the Superfund site cleanup, and what is your strategy for dealing with the more difficult sites, such as large mining sites?

LISA JACKSON: Well, Superfund is chugging along. The President's FY 2011 budget includes a \$1.3 billion dollar budget request for cleaning up sites. That's right on par, just a tiny bit under last year's amount. But, it continues his call, President Obama's call, for a reinstatement of a tax on chemical feed stocks that supports the Superfund.

Certainly, I don't think there's any argument that we have these mega sites, whether they be mining sites or others, that really require an incredible amount of work to clean up. We just listed the Gowanus Canal in New York City, for example. And, while we are really proud of the fact that we are at a point in the Superfund program where listing the site makes us optimistic that all parties are going to get it cleaned up, it's going to be a very expensive undertaking.

So, I think more money for the program, dedicated so that those who need to do cleanups know that the government has money to step in, is a very good thing. And, I think we'll continue to not only work on Superfund, but there's an increase in the President's budget proposal for brown field sites.

Many communities are lucky not to have a major Superfund site. But, they have these little brown field sites, these old dilapidated places that have since closed down. And, they're standing in the way of economic growth. There's more money in this budget because we recognize that a little bit of seed money from the public sector can really unlock private investment in those brown field sites.

ALAN BJERGA: Another mining question. What are the EPA's plans for addressing mountaintop removal mining and its environmental impacts during 2010? How likely is it that the EPA will succeed in toughening mining regulations?

LISA JACKSON: The EPA is currently in the process of reviewing those mountaintop mining permits that have been held through years and years, almost decades

would be a fairer way to say it, of litigation. This is a practice that is, you know, quite emotional for many people in America. You know, it's the-- there are thin seams of coal above mountaintops, I guess, in Appalachia, exclusively in Appalachia. And, the practice that's most cost-efficient to simply blow off the top, level it, remove that thin seam. And then, all that rubble from the top of the mountain gets put into valleys and, almost inevitably, fills, streams.

What we're finding at EPA is that the process of filling the streams has a detrimental impact on water quality. And, as you might expect, the more you fill, the more likely you're going to see problems with water quality. I'm really proud of the fact that EPA has stepped forward and said, "We're going to review each and every one of these outstanding permits to try to minimize, if not end, any environmental degradation to the water."

Because, after all, for EPA, EPA doesn't regulate mining. We fight for clean water under the Clean Water Act. So, our role is limited to ensuring that these projects, if they are approved, do not have a detrimental impact on clean water. We'll continue to do that. And, I have promised Senator Byrd that we would get clarity of guidance out for those companies who have permits that are in the process. That will be happening in very short order.

ALAN BJERGA: Will the EPA be moving forward with a low carbon fuel standard under its authority, under the Supreme Court decision in EPA v Massachusetts?

LISA JACKSON: Now I'm wondering if these questions are coming from my staff. [laughter] I don't know. I think that several states-- A low carbon fuel standard, the idea is that states, mostly recently, I think, California, but other states have talked about it as well, will simply ask that fuels get, if you will, less carbon-intense over time. And, biofuels and advanced biofuels are certainly a part of that picture as well.

So, we'll continue to have discussions. In many cases, these issues are led by the states. But, we'll continue to have discussions about the right way to move to lower carbon fuels.

ALAN BJERGA: Moving back toward a broader question, do you worry that, in the current fiscal climate, that state budget cuts will lead to their inability to enforce clean air and water acts?

LISA JACKSON: As a former state commissioner, my most recent job was head of the New Jersey Department of Environmental Protection, a little detour with Governor Corzine. And now, I find myself here. And, of course, I worry. I know that state budgets all over the country are being squeezed. I know what's happening in New Jersey.

And, I will just simply say this to the nation's governors, as they make those hard choices. Clean air, clean water, the people who work on those programs in your state are

incredibly important. And, here is better news. The President's budget includes money, more money than they've ever seen, to support them.

So, it's not a good place to cut. It's not a good place to cut because you're really turning down federal funding for the people who go out and write the permits that businesses will need if they want to expand, or go out and enforce the regulations if citizens call with a concern.

So, of course I worry. I certainly wouldn't envy any governor the tough job of producing a balanced budget. But, we heard that loud and clear from the states. And, it's why, this year, the EPA budget has more money than ever for state support.

ALAN BJERGA: We are almost out of time. But, before asking the last question, we have a couple of important matters to take care of. First, to remind our audience of future speakers. On March 9th, tomorrow, we have Ambassador Ron Kirk, the U.S. Trade Representative, who will discuss the Obama administration's trade agenda. On March 15th, a week from today, we have Dick Arme, the chairman of Freedom Works. And, on April 5th, Douglas Shulman, the commissioner of the Internal Revenue Service, will be speaking to us as the clock ticks on your tax returns.

For our second item, the moment we've all been waiting for, I'd like to present our guests with the traditional and coveted National Press Club mug. [laughter]

LISA JACKSON: Oh my goodness. I'm going to have to check with ethics officials on such a--

ALAN BJERGA: Well, regardless of whether you can accept it, we thank you for coming today.

LISA JACKSON: Thanks so much.

ALAN BJERGA: I'd also like to thank the National Press Club staff, including its library and broadcast center, for organizing today's event. Our last question is, in the program *The Simpsons*, [laughter] the Environmental Protection Agency is portrayed as an agency with no fewer controversies than the ones today. Would your EPA consider putting a dome over the City of Springfield, as in *The Simpsons*? [laughter] And, what is your feeling toward the portrayal of your agency on that television program, now in its 20th year?

LISA JACKSON: First, I love *The Simpsons*. Let me just say that. And, Lisa Simpson rocks. You know, when I first came in, last April first, I called all my managers together, what a small band we were back then, and told them we had a serious meeting. And, we watched *The Simpsons*. And we did it because some of them had never seen it, but also because, you know, if you're an EPA employee, there's a little bit of pain there. It hurts a little to see that portrayal of the agency.

It speaks to the fact that the American people have gotten to the point where they had lost trust in the agency, that the agency could be corrupted enough, if you will, to think of an idea like doming off a city as, you know, a way of protecting the environment.

EPA is back on the job. We challenged ourselves, over the past year, to make sure we re-earn the trust of the American people. I hope we're doing that. And, I cannot think of a better job to have. So no, we're not going to do it to you, Springfield, wherever you might be, all the Springfields out there.

And, as I'm fond of pointing out, no matter what you think of the Clean Air Act, air is all of ours. So, it's just as important to your state as mine that we all pitch in to keep it clean and healthy. So, thanks.

ALAN BJERGA: Thank you.

[applause]

ALAN BJERGA: And, as the air is filled with Springfield's sighs of relief, remember. For more information about joining the National Press Club and on how to acquire a copy of today's program, please go to our website at www.press.org. Thank you for being here today. Thank you for viewing and listening. This meeting is adjourned.
[gavel sounds]

END OF INTERVIEW