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EPA's Mission and Goals

The mission of the Environmental Protection Agency (EPA) is to protect human health and to safeguard the natural environment -- air, water, and land – upon which life depends.

EPA's Goals

EPA has developed a series of ten strategic, long-term Goals in its Strategic Plan. These goals, together with the underlying principles that will be used to achieve them, define the Agency's planning, budgeting, analysis, and accountability process.

- **Clean Air:** The air in every American community will be safe and healthy to breathe. In particular, children, the elderly, and people with respiratory ailments will be protected from health risks of breathing polluted air. Reducing air pollution will also protect the environment, resulting in many benefits, such as restoring life in damaged ecosystems and reducing health risks to those whose subsistence depends directly on those ecosystems.

- **Clean and Safe Water:** All Americans will have drinking water that is clean and safe to drink. Effective protection of America's rivers, lakes, wetlands, aquifers, and coastal and ocean waters will sustain fish, plants, and wildlife, as well as recreational, subsistence, and economic activities. Watersheds and their aquatic ecosystems will be restored and protected to improve public health, enhance water quality, reduce flooding, and provide habitat for wildlife.

- **Safe Food:** The foods Americans eat will be free from unsafe pesticide residues. Particular attention will be given to protecting subpopulations that may be more susceptible to adverse effects of pesticides or have higher dietary exposures to pesticide residues. These include children and people whose diets include large amounts of noncommercial foods.

- **Preventing Pollution and Reducing Risk in Communities, Homes, Workplaces, and Ecosystems:** Pollution prevention and risk management strategies aimed at eliminating, reducing, or minimizing emissions and contamination will result in cleaner and safer environments in which all Americans can reside, work, and enjoy life. EPA will safeguard ecosystems and promote the health of natural communities that are integral to the quality of life in this nation.

- **Better Waste Management, Restoration of Contaminated Waste Sites, and Emergency Response:** America's wastes will be stored, treated, and disposed of in ways that prevent harm to people and the natural environment. EPA will

EPA's Mission and Goals

- work to clean up previously polluted sites, restore them to uses appropriate for surrounding communities, and respond to and prevent waste-related or industrial accidents.

- **Reduction of Global and Cross-Border Environmental Risks:** The United States will lead other nations in successful, multilateral efforts to reduce significant risks to human health and ecosystems from climate change, stratospheric ozone depletion, and other hazards of international concern.

- **Quality Environmental Information:** The public and decision makers at all levels will have access to information about environmental conditions and human health to inform decision making and help assess the general environmental health of communities. The public will also have access to educational services and information services and tools that provide for the reliable and secure exchange of quality environmental information.

- **Sound Science, Improved Understanding of Environmental Risk, and Greater Innovation to Address Environmental Problems:** EPA will develop and apply the best available science for addressing current and future environmental hazards as well as new approaches toward improving environmental protection.

- **A Credible Deterrent to Pollution and Greater Compliance with the Law:** EPA will ensure full compliance with laws intended to protect human health and the environment.

- **Effective Management:** EPA will maintain the highest-quality standards for environmental leader-ship and for effective internal management and fiscal responsibility by managing for results.

Annual Plan and Budget Overview

The Environmental Protection Agency's FY 2003 Annual Plan and Budget requests $7.724 billion in discretionary budget authority and supports 17,648 Full Time Equivalents (FTE). Resources support the Agency's efforts to work with its partners toward cleaner air, purer water, and better protected land. The Agency's proposal for FY 2003 supports the Administration's commitment to setting high standards for environmental protection, while focusing on results and performance.

Strong Partnerships and Innovative Approaches

With this Annual Plan and Budget, the Administration demonstrates that strong partnerships and innovative approaches are the way to a healthier, cleaner environment. This budget provides critical environmental and health protections, with the recognition that State, local and Tribal governments often have the best solutions for their environmental challenges. Nearly forty-five percent of our proposed budget – $3.46 billion — consists of grants for states, tribes, and other EPA partners. This budget supports two innovative state grant programs: one for environmental information networks and another for state enforcement efforts. This budget also provides substantial support for the Nation's critical water infrastructure needs with $2.062 billion for the Clean Water and Drinking Water State Revolving Funds.

A Commitment to Reform and Results

The Agency is committed to the Administration's government-wide, citizen-centered reform efforts. This Annual Plan and Budget represents a strong commitment to reduce regulatory burdens and streamline Agency operations, so that the Agency's focus is on environmental results, rather than process. EPA implemented a significant management reform by restructuring its budget to match the strategic goals and objective structure of its strategic plan under the Government Performance and Results Act (GPRA). The Agency's own management reform agenda fully supports the President's goals for a government that is citizen-centered, results-oriented, and market-based. EPA is taking steps to ensure that its workforce is efficiently focused on delivering environmental results to its ultimate customer: the American people.

Implementation of the President's Management Reform Agenda is primary to the Agency's FY 2003 budget request. EPA, as well as other Federal agencies, was provided baseline scores on five government-wide initiatives, including: Human Capital, E-Government, Competitive Sourcing, Financial Performance, and Budget and Performance Integration. Although widely considered to have scored far better than other federal agencies, EPA will focus on improvements to the scores, and moving towards "green" lights in all areas. The Agency's plans for progress in these five areas are described throughout the budget.

Homeland Security

The President's FY 2003 Budget requests $124 million in new funding for a total EPA investment of $133.4 million in homeland security. These investments include: $13.2 million for continued operation of the West Coast Environmental Response Team and enhancing emergency response capabilities; $5 million in grants to states to enhance homeland security

EPA will provide industry, states, and consumers with the information on technology performance they need to make informed decisions by developing 10 testing protocols and completing 40 additional technology verifications for a cumulative Environmental Technology Verification (ETV) program total of 230.

coordination; $16.9 million to conduct drinking water system vulnerability assessments on small to mid-sized systems; $19 million to maintain security contracts and continue upgrades at EPA facilities as initiated by the Emergency Supplemental Appropriation Act; $75 million to conduct research on better technologies and assessments to clean up buildings contaminated and biological and chemical agents; $3.8 million for special agents who will provide environmental crimes expertise; and $0.5 million to enhance outreach on the Agency's Homeland Security efforts to the public.

Cleaner Air

Under the Clean Air Act, EPA works

Maintain health air quality for 44.1 million people living in monitored areas attaining the ozone standard. Certify that 2 areas of the remaining 45 nonattainment areas have attained the 1-hour NAAQS for ozone, thus increasing the number of people living in areas with healthy air quality by 1.0 million.

to make the air clean and healthy to breathe by setting standards for ambient air quality, toxic air pollutant emissions, new pollution sources, and mobile sources. President Bush has directed EPA in his National Energy Policy to work with the Congress to develop legislation that would establish a flexibility market-based approach to significantly cap and reduce emissions of nitrogen oxides, sulfur dioxide, and mercury from power generation utilities. Also, as part of the implementation of the National Energy Policy, EPA will work with States, Tribes, and Local agencies to put in place new source review programs that are both fairer and more effective in provide more certainty for the regulated communities.

In FY 2003, EPA will assist States, Tribes and local governments in devising additional stationary and mobile source strategies to reduce ozone and particulate matter, and other pollutants.

The Agency also will develop strategies and rules to help States and Tribes reduce emissions and exposure to hazardous air pollutants, particularly in urban areas, and reduce harmful deposition in water bodies. A key to achieving the Clean Air Goal is $232.6 million included in this budget for air grants which go directly to States and Tribes.

Addressing Climate Change

This budget request includes $129.7 million to meet the Agency's climate change objectives by working with business and other sectors to deliver multiple benefits – from cleaner air to lower energy bills – while improving overall scientific understanding of climate change and its potential consequences. The core of EPA's climate change efforts are government/ industry partnership programs designed to

Air toxics emissions nationwide from stationary and mobile sources combined will be reduced by an additional 3% (for a cumulative reduction of 40% from the 1993 level of 6.1 million tons per year.)

capitalize on the tremendous opportunities available to consumers, businesses, and organizations to make sound investments in efficient equipment and practices. These programs remove barriers in the marketplace, resulting in faster deployment of technology into the residential, commercial, transportation, and industrial sectors of the economy.

Greenhouse gas emissions will be reduced from projected levels by approximately 73.5 MMTCE per year through EPA partnerships with businesses, schools, state and local governments, and other organizations thereby offsetting growth in greenhouse gas emissions above 1990 level by about 20%.

Purer Water

Over the past three decades, our Nation has made significant progress in water pollution prevention and cleanup. While we have substantially cleaned up many of our most polluted waterways, and provided safer drinking water for millions of U.S. residents, significant challenges remain. This budget request addresses the challenge to provide clean and safe water in every American community.

- Protection from Drinking Water Contaminants. The FY2003 request strengthens work with the States and Tribes to implement new health based standards to control for microbial contaminants, disinfectants and their byproducts, and other contaminants.

92 percent of the population served by the community water systems will receive drinking water meeting all health based standards in effect as of 1994, up from 83 percent in 1994.

- Drinking Water State Revolving Fund. The Drinking Water State Revolving Fund (DWSRF) request of $850 million will provide substantial funding to States and Tribes to upgrade and modernize drinking water systems.

- BEACHES Grants. This budget includes $10 million for grants to states to develop monitoring and notification programs for coastal recreation waters. This funding supports the Agency's implementation of the "Beaches Environmental Assessment and Coastal Health Act of 2000."

- New Watershed Investments. The FY 2003 request includes an initiative designed to support watershed efforts. The $21 million Targeted Watershed Program recognizes States' needs for additional support for the range of water quality restoration tools, from adequate monitoring to effective and appropriate standards, TMDL development, and to implementation of those load limits via point source permit requirements and nonpoint source controls. The Program will provide direct grants to watershed stakeholders ready to implement comprehensive restoration actions.

- Helping States Address Run-off and Restore Polluted Waters. The President's FY 2003 Budget provides significant resources to states to build on successes we have achieved in protecting the Nation's waters, by providing States and

Tribes with grants to address polluted run-off, protect valuable wetlands, and restore polluted waterways.

- Clean Water State Revolving Fund. This budget request includes $1.212 billion for States and Tribes for the Clean Water State Revolving Fund (CWSRF). States receive capitalization grants, which enable them to provide low interest loans to communities to construct wastewater treatment infrastructure and fund other projects to enhance water quality. This investment allows EPA to meet the goal for the CWSRF to provide $2 billion average in annual financial assistance over the long-term even after Federal assistance ends.

700 projects funded by the Clean Water SRF will initiate operations, including 400 projects providing secondary treatment, advanced treatment, combined sewer overflow correction (treatment), and/or storm water treatment. Cumulatively, 8,600 CWSRF-funded projects will have initiated operations since program inception.

- Protecting Human Health along the U.S.-Mexico Border. This budget includes $75 million for water and wastewater projects along the U.S.-Mexico Border. These resources help the Agency address the serious environmental and human health problems associated with untreated and industrial and municipal sewage on the U.S.-Mexico border.

A cumulative 900 thousand residents of the U.S.-Mexico border area will be protected from health risks because of the construction of adequate water and wastewater sanitation systems since 1994.

Better Protected Land

EPA will provide additional site assessment funding to 74 new sites, and to 52 existing sites, resulting in a cumulative total of 3,350 properties assessed, the generation of 21,300 jobs, and the leveraging of $5 billion in cleanup and redevelopment funds since 1995.

Cleaning Up Toxic Waste

- Keeping Superfund Working. This budget continues a commitment to clean up toxic waste sites with $1.3 billion for Superfund cleanups. The Agency will also work to maximize the participation of responsible parties in site cleanups while promoting fairness in the enforcement process. This budget will continue the dramatic progress we have made in cleaning up toxic waste sites, while protecting public health, and returning land to productive use. Through September 2001, cleanups have been completed at 804 sites, and over 6,500 removal actions have been taken.

EPA and its partners will complete 40 Superfund cleanups (construction completions).

- Revitalizing Local Economies and Creating Jobs Through Brownfields Cleanup and Redevelopment. The FY 2003 budget request includes $200 million for the Brownfields program, which is an increase of

over $100 million above the FY 2002 request level. The additional resources will support the redevelopment and revitalization of Brownfields communities by providing funding for additional assessments at hazardous waste and petroleum contaminated properties and for state voluntary cleanup programs. The Brownfields program will continue to promote local cleanup and redevelopment of industrial sites, returning abandoned land to productive use and bringing jobs to blighted areas.

Strong Science

The FY 2003 budget supports EPA's efforts to further strengthen the role of science in decision-making by using sound scientific information and analysis to help direct policy and establish priorities. The Agency will achieve maximum environmental and health protections by employing the highest quality scientific methods, models, tools, and approaches. This budget request includes $602 million to develop and apply sound science to address both current and future environmental challenges. The budget request supports a balanced research and development program designed to address Administration and Agency priorities, and meet the challenges of the Clean Air Act (CAA), the Safe Drinking Water Act (SDWA), the Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA), the Food Quality Protection Act (FQPA), and other environmental statutes.

Broad-Based and Multi-Media Approaches

Integrating Environmental Information

In FY2003, EPA will continue its grant program that provides assistance to the States and Tribes to develop and implement the Exchange Network. The grant program builds on work currently underway in several states. It assists States and Tribes in evaluating their readiness to participate in the Exchange Network, enhances their efforts to complete necessary changes to their information management systems to facilitate Exchange Network participation, and supports state information integration efforts. The grant program also proposes providing training and other technical assistance programs to assist States and Tribes in developing and implementing the Exchange Network.

EPA will maintain and improve quality and accuracy of EPA's enforcement and compliance data to identify noncompliance and focus on human health and environmental problems.

The Central Data Exchange (CDX) is the focal point for securely receiving, translating, and forwarding data to EPA's data systems — the electronic reporting gateway to the Agency's information network. The CDX satisfies the Government Paperwork Elimination Act mandates by providing the infrastructure necessary to implement electronic signature and electronic filing of EPA required reports. In FY2003, the CDX infrastructure, a key component of the Exchange Network, will service 45 states and an assemblage of 25,000 facilities, companies, and

The number of states using the Central Data Exchange will increase to 45 as the means by which they submit data.

laboratories. These facilities will use it to provide data to EPA electronically. By widely implementing an electronic reporting infrastructure, the CDX will reduce reliance on less efficient paper-based processes, thereby improving data quality, reducing reporting burden, and simplifying the reporting process.

Working with States for Effective, Sensible Enforcement

Most of the Nation's environmental laws envision a strong role for state governments in implementing and managing environmental programs. The FY 2003 request includes $15 million for the Agency to continue support to state agencies implementing authorized, delegated, or approved environmental programs through the new enforcement grant program. These funds will continue to allow states greater responsibility for enforcement of environmental laws and regulations.

EPA will improve capacity of states, localities and Tribes to conduct enforcement and compliance programs. EPA will provide training as well as assistance with state and Tribal inspections to build capacity, including implementation of the inspector credentials program for Tribal law enforcement personnel.

The FY 2003 request will continue to support the regulated community's compliance with environmental requirements through voluntary compliance incentives and assistance programs. The Agency will provide information and technical assistance to the regulated community through the compliance assistance program to increase its understanding of all statutory or regulatory environmental requirements, thereby reducing risk to human health and the environment and gaining measurable improvements in compliance. The program will also continue to develop strategies and compliance assistance tools that will support initiatives targeted toward improving compliance in specific industrial and commercial sectors or with certain regulatory requirements.

Ensuring Safe Food through the Food Quality Protection Act (FQPA)

The FY 2003 request includes $142.3 million to help meet the multiple challenges of the implementation of the

Increase the regulated community's compliance with environmental requirements through their expanded use of compliance assistance. The Agency will continue to support small business compliance assistance centers and develop compliance assistance tools such as sector notebooks and compliance guides.

Food Quality Protection Act (FQPA) of 1996 so that all Americans will continue to enjoy one of the safest, most abundant, and most affordable food supplies in the world. FQPA focuses on the registration of reduced risk pesticides to provide an alternative to the older versions on the market, and on developing and delivering information on alternative pesticides/techniques and best pest control practices to pesticide users. FQPA implements a "whole farm" approach to pollution management and will help farmers transition — without disrupting production — to safer substitutes and alternative farming practices. Expanded

support for tolerance reassessments will reduce the risks to public health from older pesticides. Reassessing existing tolerances ensures food safety, especially for infants and children; and ensures that all pesticides registered for use meet the most current health standards. This budget request also supports FQPA-related science through scientific assessments of cumulative risk, including funds for validation of testing components of the Endocrine Disruptor Screening Program.

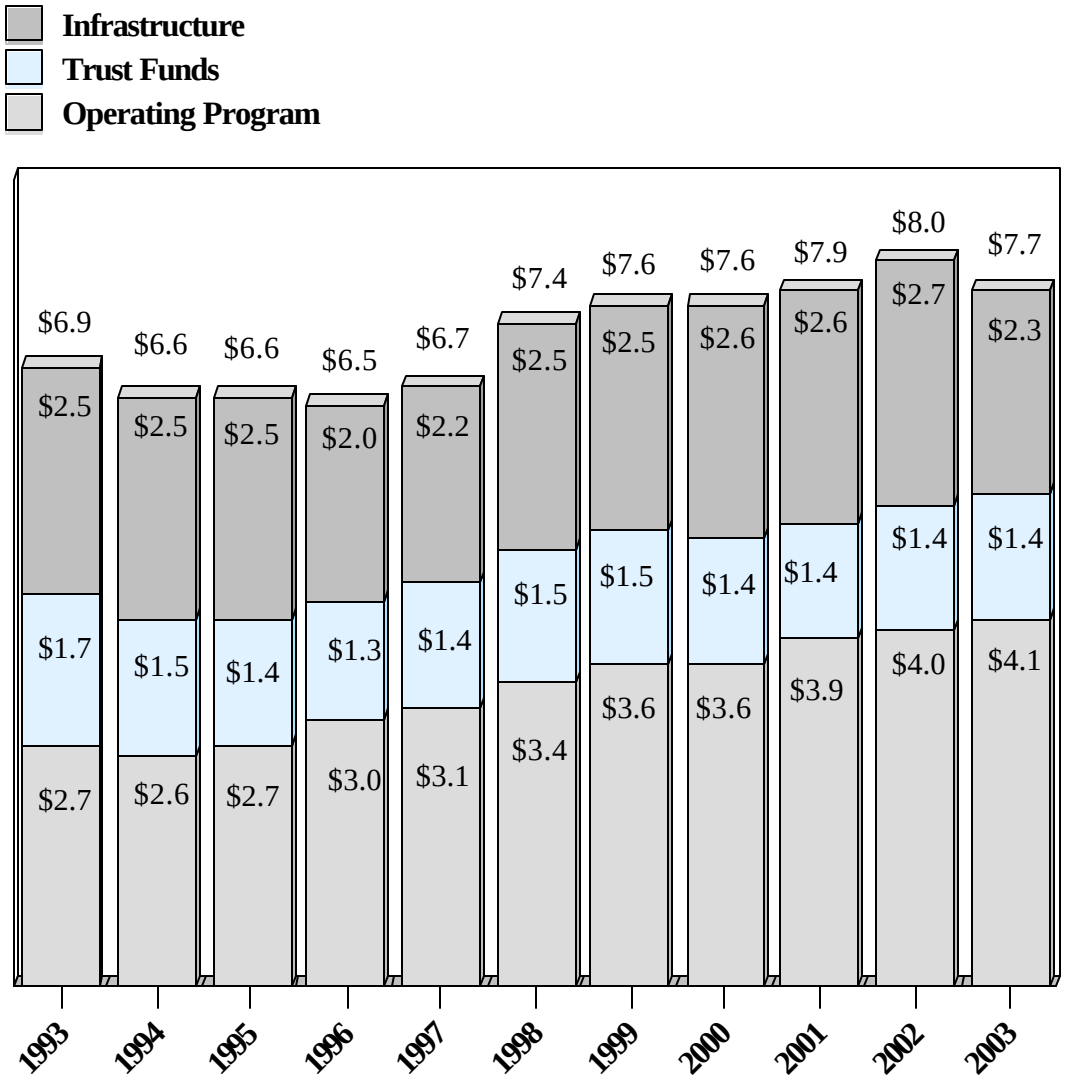
By the end of 2003, EPA will reassess a cumulative 68% of the 9,721 pesticide tolerances required to be reassessed over ten years. This includes 75% of the 893 tolerances of special concern in protecting the health of children.

SUMMARY

The EPA's FY2003 Annual Plan and Budget provides the resources and vision necessary to reach our Nation's environmental mission to protect the environment and human health. This budget represents this Administration's commitment to work with our environmental partners to develop innovative environmental programs that ensure cleaner air, purer water, and better protected land now and for generations to come.

Environmental Protection Agency's 2003 Budget Totals $7.7 Billion

(dollars in billions)

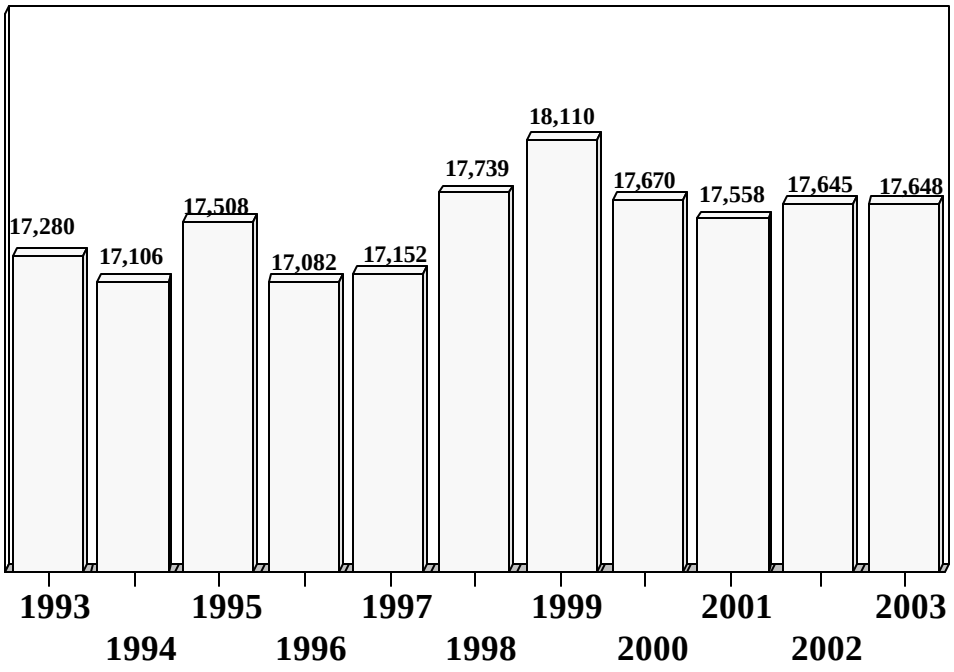


FY 1993-2002 reflect EPA's final enacted operating plan.

FY 2002 does not include $175.6 million provided for Homeland Security in the Emergency Supplemental Appropriations Act.

FY 2003 includes $107 million for proposed new pension and health benefits legislation. To make columns comparable, FY 2001 and FY 2002 have also been revised for this change.

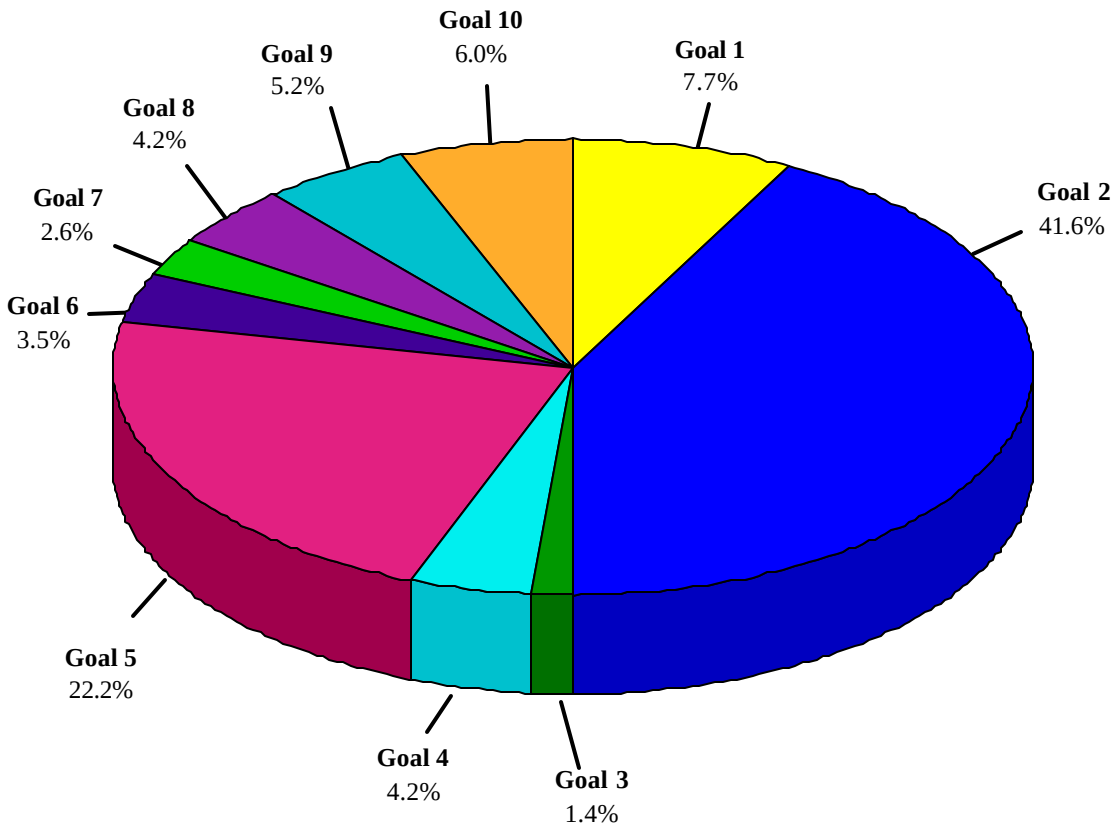
Environmental Protection Agency's 2003 Workforce Totals 17,648



FY 1993 through FY 2001 reflect actual FTE usage; FY 2002 does not include workyears provided for Homeland Security in the Emergency Supplemental Appropriations Act.

Environmental Protection Agency's 2003 Budget by Goal

Total Agency: $7,723.6 million*

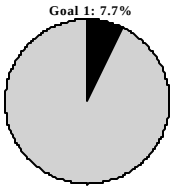


Goal 1: Clean Air
Goal 2: Clean & Safe Water
Goal 3: Safe Food
Goal 4: Preventing Pollution
Goal 5: Better Waste Management
Goal 6: Reducing Global Risks
Goal 7: Quality Environmental Information
Goal 8: Sound Science
Goal 9: A Credible Deterrent to Pollution & Greater Compliance with the Law
Goal 10: Effective Management

***Includes $4.0M in offsetting receipts.**
***Resources associated with the pending health benefits legislation account for 1.3% of the Agency's budget.**

Goal 1: Clean Air

Goal 1: Clean Air



Strategic Goal: The air in every American community will be safe and healthy to breathe. In particular, children, the elderly, and people with respiratory aliments will be protected from health risks of breathing polluted air. Reducing air pollution will also protect the environment, resulting in many benefits, such as restoring life in damaged ecosystems and reducing health risks to those whose subsistence depends directly on those ecosystems.

Resource Summary
(dollars in thousands)

	FY 2002 Enacted	FY 2003 Request	FY 2003 vs. FY 2002
Clean Air	**$593,361.8**	**$597,977.3**	**$4,615.5**
Attain NAAQS	$457,711.8	$458,856.3	$1,144.5
Reduce Air Toxics Risk	$114,658.9	$118,023.2	$3,364.3
Reduce Acid Rain	$20,991.1	$21,097.8	$106.7
Workyears	1,830.7	1,820.0	(10.7)

Means and Strategy

EPA's overall goals for the air quality program include: improving air quality and addressing highest health and environmental risks, while reducing program costs; getting better results in less burdensome ways; and increasing the roles of State, Tribal, and local governments. The Clean Air Act provides the principal framework for national, State, Tribal, and local efforts to protect and improve air quality and reduce risks. Under the Clean Air Act, EPA has a number of responsibilities:

- Ensuring continued protection of public health and the environment through regular review of National Ambient Air Quality Standards (NAAQSs) for the six criteria pollutants and revision of the NAAQSs, if necessary, based on the latest scientific information available.

- Ensuring that the NAAQSs are met by developing and carrying out national regulatory and non-regulatory programs that reduce air pollution from vehicles, factories, and other sources, and by working in partnership with State, Tribal, and local governments on implementing their clean air programs.

- Assessing public health risks from air toxics and reducing public exposure to pollutants that cause or may cause cancer and other adverse human health effects through pollution prevention and reduction of toxic emissions.

- Reducing acid rain through a market-based approach that provides flexibility to electric utilities and other large sources of sulfur dioxide (SO_2) and nitro oxides (NO_x) in how they meet emission reduction requirements.

- Protecting and enhancing visibility across large regional areas, including many of the Nation's most treasured parks and wilderness areas, by reducing pollutants such as particulate matter (PM), SO_2, and NO_x.

- Providing a strong scientific basis for policy and regulatory decisions and exploring emerging problem areas through a coordinated, comprehensive research program.

One constant across the titles of the Clean Air Act is that they all are designed to get the most cost-effective pollution reductions early on. The problems that remain are some of the most difficult to solve. EPA has developed strategies to help address this difficult increment and overcome the barriers that have hindered progress towards clean air in the past. The Agency will use flexible approaches, where possible, instead of hard-and-fast formulas or specific technology requirements. Also, the Agency will work with areas that have the worst problems to develop strategies that address unique local conditions and achieve real risk reductions that matter to communities.

- Multi-pollutant strategies. The many inter-relationships among ozone, fine PM, regional haze, and air toxics problems provide opportunities for developing integrated strategies to reduce pollutant emissions. EPA has encouraged States, Tribes, and local governments to coordinate the work they are doing to maximize the effectiveness of control strategies.

- Economic incentives. EPA has provided increased flexibility to industry through the use of economic incentives and market-based approaches. Emissions trading, averaging, and banking have become standard tools in the Agency's air programs. The acid rain program uses allowance trading and early reduction credits to cut control costs and reduce pollution faster. The Tier II and diesel programs allow manufacturers to produce a mix of vehicles that collectively meet emission reduction targets. EPA's economic incentive programs include a variety of measures designed to increase flexibility and efficiency, while maintaining the accountability and enforceability of traditional air quality management programs.

- Consensus building. In implementing the Clean Air Act, the Agency has emphasized consensus building, and broad stakeholder involvement. Examples include:
  - Working cooperatively with industry on toxics standards (e.g., the regulatory-negotiation with the coke oven industry).

- Working with industry to implement innovative approaches (e.g., the auto industry voluntarily agreeing to meet National Low Emission Vehicle standards).
- Meeting with the refining industry, the auto industry, and State officials to balance the many concerns in the Tier II rulemaking and promulgating a groundbreaking national program supported by a wide range of stakeholders.

- Systems approach. Tier II also is a good example of how the Agency looks at air quality problems from a broader perspective and takes advantage of the potential synergies. As catalyst technology requires low-sulfur fuel, the Agency is regulating fuels and vehicles as one system, to give pollution control manufacturers the incentive to develop even cleaner technologies. This results in a greater reduction in pollution — at less cost — than by addressing fuels and vehicles separately.

- Innovative technology. EPA increasingly incorporates incentives and performance-based approaches into regulations to spur new technologies that will help meet ambitious goals more cost-effectively (sometimes at even less cost than EPA has predicted). The Agency also is building partnerships that help develop and deploy these new technologies. The report prepared to meet the requirements of section 812 of the Clean Air Act includes a list of the technologies that have been developed since the 1990 Amendments. The advances have been remarkable. Technologies like selective catalytic reduction (SCR) on power plants, ultra-low NO_x burners, or advanced catalysts now have entered the mainstream, at far less cost than anyone predicted.

Research

EPA's NAAQS-related research supports the Agency's Clean Air Goal to meet national clean air standards for carbon monoxide (CO), SO_2, nitrogen dioxide (NO_2), lead, tropospheric ozone, and PM. This research provides methods, models, data, and assessment criteria on the health risks associated with these and other pollutants, alone and in combination, focusing on the exposures, health effects, mechanisms of injury, and identifying components of PM, which affect public health. In addition, this research provides NAAQS implementation tools to support efforts by industry, and State, Tribal, and local regulators, to develop and improve State Implementation Plans (SIPs) and Tribal Implementation Plans (TIPs) to attain the NAAQS.

Research on air toxics investigates the root causes of the environmental and human health problems in urban areas related to these pollutants. These efforts provide the necessary health effects data, measurements, methods, models, information, assessments, and technical support to EPA, State, Tribal, and local regulators to estimate human health effects and aggregate exposures to hazardous air pollutants. Research also supports atmospheric and emission modeling in order to estimate fate, ambient concentrations, and mobile source emissions of air toxics at a more refined scale. With this information the Agency will be in a better position to

determine risk and develop alternative strategies for maximizing risk reductions.

Highlights

Continue progress toward NAAQS attainment.

For FY 2003**,** EPA will implement the President's National Energy Policy; continue the regular reviews of the NAAQS; carry out programs to meet NAAQS and regional haze requirements; and continue the research, air quality monitoring, and laboratory analyses that provide the scientific and technical bases for the NAAQS program.

- Multi-pollutant legislation. President Bush has directed EPA in his National Energy Policy to work with the Congress to develop legislation that would establish a flexible, market-based approach to significantly cap and reduce emissions of NO_x, SO_2, and mercury from the power generation sector. The legislation would build on the successful acid rain program and on the NO_x allowance trading program for the Northeast. Reducing emissions of NO_x and SO_2 will reduce levels of ground-level ozone and PM, as well as acid deposition.

- New Source Review reform. Also as part of the implementation of the National Energy Policy, EPA will work with States, Tribes and local agencies to put in place revised New Source Review programs. EPA is working with stakeholders to explore options that are both fairer and more effective and provide more certainty for the regulated communities.

- Review of NAAQS. During FY 2002, EPA will make available to the public a comprehensive assessment of recent scientific findings on the health and environmental risks associated with PM. Following completion of this assessment and a staff paper that evaluates the policy implications of the scientific findings, EPA will propose in FY 2003 a decision on whether to retain or revise the PM NAAQS.

- Implementation of existing NAAQS. On the national level, EPA will work with States, Tribes, and local governments on developing and implementing measures to meet clean air standards. The Agency will continue technical support for implementing the 1-hour ozone NAAQS. EPA also will support States and Tribes in developing innovative, voluntary programs that will help to achieve early reductions in the transition to the 8-hour ozone standard. The Agency also will develop a strategy and guidance for transition from the PM-10 standard to a fine particulate standard. We will work to promote and expand the use of voluntary, and smart growth and other innovative approaches to provide emission reductions.

- Public information. EPA and States will expand outreach efforts to promote public awareness of the Air Quality Index.

- Vehicle, engine, and fuels standards. EPA will establish and implement Federal standards to require cleaner motor vehicles, fuels, and non-road equipment that are cost-effective and

technically feasible. The Agency will continue implementation of the Tier II and gasoline sulfur standards. The Agency also will continue work on the 2007 heavy-duty highway engine and diesel sulfur requirements. In addition, EPA will develop a proposed rule establishing new standards for heavy-duty, non-road, land-based diesel engines and vehicles.

- Testing for compliance. EPA will continue research, monitoring, and laboratory analysis of industry compliance to national air quality standards. By 2003, a dramatic change in the type and amount of testing will be required at EPA's National Vehicle and Emissions Laboratory (NVFEL) to ensure meeting the goals of the Tier II and Heavy-Duty Engine regulations, as well as to proceed with advancements in vehicle emission control technologies. To meet this challenge, EPA will require an investment for essential emission measurement system upgrades at the NVFEL in order to (1) fully implement and enforce the new Tier II emission standards and test procedures for all passenger cars and light trucks beginning with the 2004 model year; (2) implement and enforce the model years 2004 and 2007 Diesel Engine Standards for all on-highway, heavy-duty engines; and (3) develop digital and computer-based emission measurement system upgrades required to accurately measure the next generation of emission control systems.

Reduce public exposure to air toxics.

In FY 2003, EPA will develop strategies and rules to help States and Tribes reduce emissions and exposure to hazardous air pollutants, particularly in urban areas, and reduce harmful deposition in water bodies. The Agency also will target source characterization work, especially development and improvement of emissions information, that is essential for the States, Tribes, and local agencies to develop strategies to meet the standards. EPA will look closely at urban areas to determine the various sources of toxics that enter the air, water, and soil, and determine the best manner to reduce the total toxics risk in these urban areas. Some specific activities and initiatives in this program for FY 2003 include:

- Air toxics monitoring. EPA will work with States to expand the air toxic monitoring network operated by State, Tribal, and local agencies. This expansion will help assess the success of EPA's comprehensive air toxics strategy as well as the multi-pollutant strategy. Such monitoring data will also enable EPA to benchmark its models and to track ambient trends for inhalation-risk air toxics and toxic components of particulate matter.

- Air toxics rules. EPA will continue the extensive residual risk analyses for sources covered by Maximum Achievable Control Technology (MACT) standards to determine if additional standards are necessary to reduce the remaining risks from these sources.

- Mobile sources air toxics. In FY 2001, EPA issued a rule to address

emissions of air toxics from mobile sources. In the rule, the Agency identified 21 mobile source air toxics and established new gasoline toxic emission performance standards. The rule established a Technical Analysis Plan to conduct research and analysis on mobile source air toxics. Based on the results of that research, EPA will consider future rulemaking in 2004 in which EPA will revisit the feasibility and need for additional controls for non-road and highway engines and vehicles and their fuels. To prepare for this review, in FY 2003, EPA will continue gathering emissions data, conducting exposure analyses, and evaluating the need for additional controls. EPA also will incorporate toxics emissions data into the mobile source models.

Implement market-based acid rain program.

For FY 2003 EPA will continue to carry out the market-based acid rain program, tracking emissions, auditing and certifying monitors, recording transfers of allowances, and reconciling emissions and allowances.

- Phase II implementation. EPA will continue to implement the trading system, tracking transfers of emission allowances from the expanded number of electric utility units covered by the Phase II requirements of the Clean Air Act.

- Monitoring and assessment. EPA will manage the operation of the Clean Air Status and Trends Network (CASTNet), a wet deposition network, and provide operational support for the National Atmospheric Deposition Program (NADP), a dry deposition network. The Agency will use the monitoring results, along with other information, to help assess the effectiveness of the acid rain program in reducing health and environmental risks.

Research

EPA's NAAQS-related research program will develop new information and assess existing studies to support statutorily mandated reviews of the NAAQS and will upgrade methods and models needed to guide development of SIPs and TIPs, used to achieve the NAAQS. In FY 2003, tropospheric ozone research will evaluate and refine emissions and air quality models to support efforts by Agency, State, Tribal and local regulators, as well as industry, to improve SIPs and TIPs for tropospheric ozone. The PM research program will continue work to strengthen the scientific basis for the periodic review of the PM NAAQS, including conducting epidemiological and exposure studies. The PM program will also develop tools and methods for use by States, Tribal, and local regulators to assess control options to improve PM NAAQS implementation plans that will move the Agency toward its objective of reducing Americans' exposure to PM. Also included under this objective will be research to support review of the lead, carbon monoxide (CO), SO_2, and NO_2 NAAQS.

Air toxics research provides information on effects, exposure, source characterization, as well as other data to quantify existing emissions and to identify key pollutants and strategies for cost effective risk management. In FY 2003, research will focus on completing health

assessments for some of the highest priority hazardous air pollutants, and providing the science and technical support to Agency, State, Tribal and local regulators to estimate health effects and exposures to hazardous air pollutants both indoors and outdoors and to reduce risks.

2003 Annual Performance Goals

- In 2003, maintain healthy air quality for 44.1 million people living in monitored areas attaining the ozone standard; certify that 2 areas of the remaining 45 nonattainment areas have attained the 1-hour NAAQS for ozone thus increasing the number of people living in areas with healthy air by 1.0 million.

- In 2003, maintain healthy air quality for 7.2 million people living in monitored areas attaining the PM standards; increase by 81 thousand the number of people living in areas with healthy air quality that have newly attained the standard.

- In 2003, maintain healthy air quality for 52.7 million people living in monitored areas attaining the CO, SO_2, NO_2, and lead standards; increase by 4.1 million the number of people living in areas with healthy air quality that have newly attained the standard.

- In 2003, air toxics emissions nationwide from stationary and mobile sources combined will be reduced by an additional 3% of the updated 1993 baseline of 6.1 million tons (for a cumulative reduction of 40% from the 1993 level of 6.1 million tons per year.)

- In 2003, maintain or increase annual SO_2 emission reduction of approximately 5 million tons from the 1980 baseline. Keep annual emissions below level authorized by allowance holdings and make progress towards achievement of Year 2010 SO_2 emissions cap for utilities.

- In 2003, 2 million tons of NO_x from coal-fired utility sources will be reduced from levels that would have been emitted without implementation of Title IV of the Clean Air Act Amendments.

Goal 1: Clean Air

Goal 1: Clean Air Key Programs

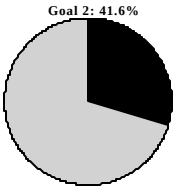
(dollars in thousands)

	FY 2002 Enacted	FY 2003 President's Request
Acid Rain –CASTNet	$3,991.2	$3,991.2
Acid Rain -Program Implementation	$12,500.2	$12,790.4
Air Toxics Research	$18,923.4	$19,883.7
Air,State,Local and Tribal Assistance Grants: Other Air Grants	$232,584.6	$232,584.6
Carbon Monoxide	$4,258.4	$4,025.1
Congressionally Mandated Projects	$18,837.5	$0.0
Facilities Infrastructure and Operations	$25,720.2	$25,740.1
Hazardous Air Pollutants	$52,225.3	$52,622.4
Homeland Security*	$874.0	$0.0
Lead	$342.2	$339.6
Legal Services	$7,874.6	$8,609.6
Management Services and Stewardship	$5,960.0	$6,105.5
Nitrogen Oxides	$1,325.5	$1,399.0
Ozone	$68,455.1	$77,498.8
Particulate Matter	$52,302.7	$62,624.3
Particulate Matter Research	$65,468.2	$66,662.0
Regional Haze	$2,535.9	$2,408.1
Regional Management	$349.5	$310.1
Sulfur Dioxide	$12,318.5	$13,624.7
Tropospheric Ozone Research	$6,514.8	$6,758.1

**FY 2002 does not include $175.6 million provided in the Emergency Supplemental Appropriations Act for Homeland Security.*

Goal 2: Clean and Safe Water

Goal 2: Clean and Safe Water



Strategic Goal: All Americans will have drinking water that is clean and safe to drink. Effective protection of America's rivers, lakes, wetlands, aquifers, and coastal and ocean waters will sustain fish, plants, and wildlife, as well as recreational, subsistence, and economic activities. Watersheds and their aquatic ecosystems will be restored and protected to improve public health, enhance water quality, reduce flooding, and provide habitat for wildlife.

Resource Summary

(dollars in thousands)

	FY 2002 Enacted	FY 2003 Request	FY 2003 vs. FY 2002
Clean & Safe Water	**$3,738,990.3**	**$3,214,674.2**	**($524,316.1)**
Safe Drinking Water, Fish and Recreational Waters	$1,268,497.1	$1,148,425.1	($120,072.0)
Protect Watersheds and Aquatic Communities	$463,061.1	$435,814.7	($27,246.4)
Reduce Loadings and Air Deposition	$2,007,432.1	$1,630,434.4	($376,997.7)
Workyears	2,737.3	2,742.8	5.5

Means and Strategy

To achieve the Nation's clean and safe water goals, EPA will operate under an overarching watershed approach in carrying out its statutory authorities under both the Safe Drinking Water Act Amendments (SDWA) of 1996 and the Clean Water Act (CWA). Protecting watersheds involves participation by a wide variety of stakeholders, a comprehensive assessment of the condition of the watershed, and implementation of solutions based on sound science and stakeholder input. Full involvement of stakeholders at all levels of government, the regulated community, and the public is fundamental to the watershed approach. The watershed approach helps EPA, its Federal partners, States, Tribes, local governments, and other stakeholders to implement tailored solutions and maximize the benefits gained from the use of increasingly scarce resources.

EPA will continue to implement the SDWA Amendments of 1996 that chart a new and challenging course for EPA, States, tribes, and water suppliers. The central provisions of the Amendments include 1) improving the way that EPA sets drinking

water safety standards and develops regulations based on good science, prioritization of effort, sound risk assessment, and effective risk management; 2) providing flexibility to the States in monitoring for certain contaminants and in setting time frames for compliance with regulations, and providing funding for improvements to drinking water infrastructure through the Drinking Water State Revolving Fund (DWSRF); 3) establishing new prevention approaches, including provisions for operator certification, capacity development, and source water protection; and 4) providing better information to consumers, including consumer confidence reports.

EPA has a significant role in protecting public health from terrorist attacks on the nations critical water infrastructure. Through Presidential Decision Directive (PDD) 63, EPA is working through a public-private partnership to safeguard water supplies and wastewater treatment systems from terrorist acts. Using FY 02 base and supplemental funds, EPA and its partners, especially the American Water Works Association (AWWA) and the Association of Metropolitan Water Agencies (AMWA), will fulfill this responsibility by providing technical and financial assistance to utilities to assess vulnerabilities of water supplies and to take appropriate actions to protect water systems.

EPA will continue efforts to provide States and tribes tools and information to assist them in protecting their residents from health risks associated with contaminated recreational waters and noncommercially-caught fish. These tools will help reduce health risks, including risks to sensitive populations such as children and subsistence and recreational anglers. EPA activities include development of water quality criteria (including aquatic life, human health, biological, nutrient, and pathogen criteria), enhanced fish tissue monitoring, development of fish and shellfish consumption advisories, and risk assessment activities. For beaches, EPA's three-part strategy is to strengthen beach standards and testing, improve the scientific basis for beach assessment, and develop methods to inform the public about beach conditions. Beach water quality monitoring and public notification will be improved by providing grants to state and local governments as authorized under Section 406 of the Clean Water Act. These efforts help implement the Beaches Environmental Assessment and Coastal Health (BEACH) Act of 2000 with its emphasis on developing strong monitoring and notification programs.

Key to the watershed approach is continued development of scientifically-based water quality standards and criteria under the CWA and better consolidated identification of waters not meeting these goals under Sections 303(d) and 305(b). Where water quality standards are not being met, EPA will work with States and tribes to improve implementation of a Total Maximum Daily Load (TMDL) program that establishes the analytical basis for watershed-based decisions on needed pollution reductions. To support States and tribes in their standards adoption and TMDL programs, EPA will continue to provide scientifically sound criteria and guidance for toxic chemicals, nutrients, biological integrity, microbial, and physical stressors. EPA will continue to develop and revise national effluent guideline limitations and standards, capitalize and manage the Clean Water State Revolving Fund (CWSRF)

program and other funding mechanisms, strengthen the focus of state nonpoint source programs on protecting and restoring waterbodies, and target the National Pollutant Discharge Elimination System (NPDES) permit program to achieve progress toward attainment of water quality standards and support implementation of TMDLs in impaired water bodies. The Agency will continue to work with States to reduce the NPDES permit backlog and to expand data management/electronic information activities to include permit information on storm water, combined sewer overflows (CSOs), sanitary sewer overflows (SSOs), concentrated animal feeding operations (CAFOs), indirect discharges, and other emerging areas. Annual performance goals to reduce discharges and to prevent pass through to the Nation's waters will identify these sources and model their loading reductions. With concrete information on the NPDES universe, including sufficient data to model loading reductions from all classes of discharges and integration of that information with other water quality data, EPA will be better able to describe the environmental improvements from approximately 550,000 point sources covered by NPDES permits.

EPA has moved forward to provide guidance and regulations to cover the expanding universe of NPDES facilities. The phase II storm water rule's permitting requirements become effective in FY 2003, and the CAFO rule will be issued in December 2002. Work to address CSOs and SSOs is also proceeding. EPA is completing guidance and data collection for reports to Congress as required by the Wet Weather Water Quality Act of 2000. Strategies are being developed for other emerging areas, such as pesticide discharges and invasive species, as well as expedited permitting of energy facilities.

The Clean Water SRF is an important tool for achieving clean and safe water by helping communities meet their significant needs for wastewater infrastructure over the next 20 years and providing increased support to address nonpoint source problems. The budget request includes $1.212 billion for the CWSRF. This investment continues EPA's commitment for the CWSRF to provide $2 billion in average annual financial assistance over the long-term even after Federal assistance ends. Total SRF funds available for loans as of July 2001, reflecting loan repayments, state match dollars, and other sources of funding, are approximately $37.7 billion, of which $34.3 billion has been provided to communities as financial assistance. The Agency again requests that state flexibility to address their most critical demands be continued by extending their authority for limited funds transfers between the CWSRF and DWSRF for one year.

EPA is assisting States and tribes to characterize risks, rank priorities, and implement a mix of voluntary and regulatory approaches through improved state nonpoint source (NPS) management programs. Working with EPA, States and tribes are strengthening their NPS programs to ensure that needed nonpoint source controls are implemented to achieve and maintain beneficial uses of water. In particular, EPA and the States are working together to better use the Clean Water Act Section 319 framework and funds to develop and implement nonpoint source TMDLs. States will continue to implement coastal NPS programs approved by EPA and the National Oceanic and Atmospheric Administration

under the Coastal Zone Act Reauthorization Amendments, and to work with the U.S. Department of Agriculture to promote implementation of Farm Bill programs consistent with state nonpoint source management needs and priorities. EPA will also provide tools to States to assess and strengthen controls on air deposition sources of nitrogen, mercury, and other toxics.

With respect to wetlands, EPA will work with Federal, state, Tribal, local, and private sector partners on protection and community-based restoration of wetlands, and with its Federal partners to avoid, minimize, and compensate for wetland losses through the CWA Section 404 and Farm Bill programs. In particular, the agency will focus its efforts on developing appropriate tools to assess wetlands extent and condition, increasing the success of wetlands restoration projects, and protecting vulnerable wetlands. EPA will be part of coordinated Federal agency efforts to support conservation of fauna, including the North American Bird Conservation Initiative and Partners for Amphibians and Reptile Conservation.

EPA will work with States, tribes, municipalities, and the regulated community to ensure that the Phase II rules for the storm water program are implemented to address problems caused by sediment and other pollutants in our waters. EPA will also establish criteria for nutrients (i.e., nitrogen and phosphorus) so that more States can develop water quality standards that protect waters from harmful algal blooms such as *pfiesteria*, and prevent dead zones and fish kills which can develop as a result of an excess of these nutrients. EPA will work with States to fund priority watershed projects through the CWSRF to reduce nonpoint and estuary pollution. The Agency will also work to reduce pollution from failing septic systems. Finally, EPA will have a coordinated strategy for protecting drinking water sources that includes microbial pathogen, chemical, and nutrient criteria.

Research

EPA's research efforts will continue to strengthen the scientific basis for drinking water standards through the use of improved methods and new data to better evaluate the risks associated with exposure to chemical and microbial contaminants in drinking water. To support the research provisions of the 1996 Safe Drinking Water Act (SDWA) amendments, the Agency's drinking water research will develop dose-response information on disinfection by-products (DBPs), waterborne pathogens, arsenic, and other drinking water contaminants for characterization of potential health risks from consuming tap water. The focus will be on filling key data gaps and developing analytical detection methods for measuring the occurrence of chemical and microbial contaminants on the Contaminant Candidate List (CCL). The Agency will develop and evaluate cost-effective treatment technologies for removing pathogens from water supplies while minimizing DBP formation, for maintaining the quality of treated water in the distribution system and for preventing the intrusion of microbial contamination. By reducing uncertainties and improving methods associated with the assessment and control of risks posed by exposure to microbial contaminants in drinking water, EPA is providing the scientific basis necessary to protect human health and ensure that by 2005, 95 percent of the population served by community water

systems will receive water that meets health-based drinking water standards.

Research to support the protection and enhancement of aquatic ecosystems and their biotic components includes understanding the structure, function, and characteristics of aquatic systems, and evaluating exposures and effects of stressors on those systems. EPA is also working to develop biological and landscape indicators of ecosystem condition, sources of impairment, and stressor response/fate and transport models. The results of these efforts will improve risk assessment methods to develop aquatic life, sediment, habitat, and wildlife criteria, as well as risk management strategies and will help EPA and other Federal, state, and local agencies develop better baseline assessments of water quality. Through the development of a framework for diagnosing adverse effects of chemical pollutants in surface waters, EPA will be able to evaluate the risks posed by chemicals that persist in the environment and accumulate in the food chain, threatening wildlife and potentially human health. This research will facilitate ecological health assessment of the nation's waters, providing water resource managers with tools for determining whether their aquatic resources support healthy aquatic communities. The Agency also will develop cost-effective technologies for managing suspended solids and sediments with an emphasis on identifying innovative in situ solutions.

Research in this goal will also provide the scientific basis and technical support for program, regional and state efforts to protect and inform recreational water users. A sound scientific foundation connecting water quality indicators and human disease will be established. This research will also develop diagnostic tools to evaluate human and ecological exposures to toxic constituents of wet weather flows (combined-sewer overflows (CSOs), sanitary-sewer overflows (SSOs), and stormwater). These wet weather events pose significant risks to human and ecological health through the uncontrolled release of pathogenic bacteria, protozoans, and viruses as well as a number of potentially toxic, bioaccumulative contaminants. EPA will develop and validate effective watershed management strategies and tools for controlling wet weather flows (WWFs), including: (1) new and improved indicator methods to describe the toxic inputs to watersheds from WWFs; (2) methods to utilize condition and diagnostic ecological indicators in evaluating wet weather flow management strategies in preventing degradation of water and sediment quality by contaminated runoff; (3) methods for diagnosing multiple stressors in watershed ecosystems; and (4) evaluation of low cost watershed best management practices to evaluate risks associated with various control technologies for wet weather flows.

Highlights

So that all Americans have water that is safe to drink, EPA will work to increase the percentage of the population that will receive drinking water from systems meeting all health-based standards in effect as of 1994. The Agency will continue to work with the States in implementing rules required by the 1996 amendments to the SDWA to control for microbial contaminants especially *Cryptosporidium,* disinfectants and their byproducts, arsenic, radon, radionuclides, and other contaminants.

In FY 2003, EPA will be completing final regulatory action on all contaminants specifically identified in the 1996 SDWA Amendments. Consequently, primary attention in FY 2003 will be focused on contaminants from the Contaminant Candidate List (CCL) and any potential revisions stemming from the statutorily mandated six year review of existing regulations. The CCL process, a new provision in the 1996 SDWA amendments, makes risk prioritization the dominant factor in selecting contaminants to regulate. EPA, in partnership with the States, water systems, environmental and public health groups, the scientific community, and the public, must use three criteria to determine whether to regulate a contaminant: 1) the contaminant adversely affects human health; 2) it is known or substantially likely to occur in public water systems with a frequency and at levels of public health concern; and 3) regulation of the contaminant presents a significant opportunity for health risk reduction. EPA is required to publish the second CCL in the *Federal Register* in August 2003. Also in 2003, the Agency will be revising, if necessary, existing national primary drinking water regulations that were reviewed in FYs 2001 and 2002 using the best available, peer-reviewed data on occurrence and associated health risks, analytical methods, and treatment technologies. Approaches to preventing contamination will continue to be emphasized and implemented in 2003 as EPA assists its partners and stakeholders in effectively implementing all available tools to protect vulnerable sources of drinking water supplies.

EPA, in concert with our many partners, is pursuing a comprehensive strategy for assessing and restoring the Nation's most impaired watersheds. Fundamental to the Agency's efforts to conserve and enhance the Nation's waters is the management of water quality resources on a watershed basis, with the full involvement of all stakeholders including communities, individuals, businesses, state and local governments, and tribes.

The Targeted Watersheds Project is a new $21 million program to provide grants to watershed stakeholders ready to implement comprehensive restoration actions. Targeted watersheds will be chosen based on criteria established in consultation with our state, local and other stakeholder partners, with emphases on value of the resource, likelihood of positive environmental outcomes, evidence of strong state/local government support, ability to leverage Agency resources, and readiness to proceed based on existing problem identification.

By FY 2003, with EPA's support, the National Estuary Program will have restored and protected an additional 25,000 acres of habitat, including sea grass and shellfish beds. In FY 2003, EPA will continue implementing appropriate management responses to harmful algal blooms and other marine pests and diseases. EPA will also implement the Agency-specific action plan in response to the Invasive Species Executive Order. Finally, EPA will implement management options resulting from its assessment of cruise ship and ballast water discharges.

A key element of the Agency's effort to achieve its overarching goal of clean and safe water is the reduction of pollutant discharges from point sources and nonpoint sources. The NPDES program (which

includes NPDES permits covering municipal and industrial discharges, urban wet weather, large animal feeding operations, mining, the pretreatment program for non-domestic wastewater discharges into municipal sanitary sewers, and biosolids management controls) establishes controls on pollutants discharged from point sources into waters of the United States. Key annual performance goals for FY 2003 are to reduce loadings of toxic pollutants, nonconventional pollutants, and conventional pollutants from all categories of NPDES permitted facilities. To ensure that all point sources are covered by current permits, EPA developed a backlog reduction strategy under which 90 percent of major permittees and 84 percent of minor permittees would have current permits in place by the close of FY 2003. In support of that effort, EPA is developing a permit prioritization strategy to expedite reissuance of permits of low significance with respect to revisions needed to protect water quality. EPA will also continue evaluating data received from monitoring sites under the National Marine Debris Monitoring Program. This program monitors marine debris in an effort to determine sources of the debris, much of which enters coastal waters through stormwater runoff.

States report that pollution from nonpoint sources (NPS) is the largest cause of water pollution, with agriculture as a leading cause of impairment in 60 percent of the river miles assessed. In order to restore and maintain water quality, significant loading reductions from nonpoint sources must be achieved. State NPS programs are critical to protecting and restoring the Nation's water resources. To achieve reductions in NPS loadings, it is essential for EPA to work with States to expeditiously implement the nine key program elements in their strengthened state NPS programs. In addition, EPA will continue to encourage States to make use of CWSRF and other Federal resources to finance projects that address polluted runoff. As of mid-2001, States had invested nearly $1.4 billion in nonpoint source pollution controls through the CWSRF.

Research

In FY 2003, EPA's drinking water research program will continue to conduct research to reduce the uncertainties of risk associated with exposure to microbial contaminants in drinking water and improve analytical methods and risk assessments to control risks posed by drinking water contamination. As required by the SDWA amendments, the first Contaminant Candidate List (CCL) was published in 1998 and included nine microbial contaminants in its Research Priorities Category that require more data before a regulatory determination could be made. The drinking water research program will continue to focus on microbial contaminants on future CCLs. Significant data gaps still exist on the occurrence of these microbes in source and distribution system water, linkages between water exposure and infection, and the effectiveness of candidate treatment technologies to remove and inactivate these contaminants. Research efforts will also continue to support arsenic-specific research and development of more cost-effective treatment technologies for the removal of arsenic from small community drinking water systems. This work will include strategies for the acceptable control of water treatment residuals enriched with arsenic. The development of this crucial information will provide the scientific basis necessary to

protect human health and ensure 95 percent of the population served by community water systems will receive water that meets health-based drinking water standards.

EPA is also conducting research on suspended solids and sediments (non-contaminated). Although suspended solids and sediment are a natural part of aquatic ecosystems critical to the energy cycle of the water body as well as the provision of microhabitats, they have become stressors associated with human activity that adversely affects aquatic habitats. Suspended solids and sediments have been identified among the leading causes of water quality impairment for streams and rivers. As part of EPA's efforts in FY 2003 to conserve and enhance the nation's waters. the aquatic stressors research program will continue suspended solids and sediments research program that will focus on developing tools which allow for the determination of background levels of sediments and suspended solids inherent to a region.

Another area of research will focus on growing evidence of the risk of infectious diseases resulting from exposure to microbes in recreational waters. Exposure to these diseases is of particular concern after major rainfall events that cause discharges from both point and non-point sources. In FY 2003, EPA will continue efforts to perform a suite of epidemiological studies needed to establish a stronger, more defensible link between water quality indicators and disease. These epidemiological studies will provide reliable information about the relationship between recreational water quality and swimming-associated health effects. This will enable EPA to provide States with consistent monitoring methods, standardized indicators of contamination, and standardized definitions of what constitutes a risk to public health.

Section 1.01 2003 Annual Performance Goals

- In 2003, 85 percent of the population served by community water systems will receive drinking water meeting health-based standards promulgated in or after 1998.
- In 2003, 92% of the population served by community water systems will receive drinking water meeting all health-based standards in effect as of 1994, up from 83% in 1994.
- In 2003, reduce human exposure to contaminated recreation waters by increasing the information available to the public and decision-makers.
- By FY 2003, water quality will improve on a watershed basis such that 600 of the Nation's 2,262 watersheds will have greater than 80 percent of assessed waters meeting all water quality standards, up from 500 watersheds in 1998.
- In 2003, assure that States and Tribes have effective, up-to-date water quality standards programs adopted in accordance with the Water Quality Standards regulation and the Water Quality Standards program priorities.
- In 2003, restore and protect estuaries through the implementation of Comprehensive Conservation and Management Plans (CCMPs).

- In 2003, current NPDES permits reduce or eliminate loadings into the nation's waters of (1) inadequately treated discharges from municipal and industrial facilities (direct and indirect dischargers); and (2) pollutants from urban storm water, CSOs, and CAFOs.

- In 2003, 900 projects funded by the Clean Water SRF will initiate operations, including 515 projects providing secondary treatment, advanced treatment, CSO correction (treatment), and/or storm water treatment. Cumulatively, 8,800 projects will have initiated operations since program inception.

Goal 2: Clean and Safe Water

Goal 2: Clean and Safe Water Key Programs

(dollars in thousands)

	FY 2002 Enacted	FY 2003 President's Request
Beach Grants	$10,000.0	$10,000.0
Chesapeake Bay	$20,551.8	$20,650.8
Congressionally Mandated Projects	$418,587.5	$0.0
Disadvantaged Communities	$4,350.8	$4,481.3
Drinking Water Implementation	$38,332.9	$38,935.0
Drinking Water Regulations	$28,597.4	$30,034.0
Ecosystems Condition, Protection and Restoration Research	$37,785.0	$38,592.9
Effluent Guidelines	$22,773.4	$23,010.3
Facilities Infrastructure and Operations	$36,666.1	$38,093.3
Fish Contamination/Consumption	$2,764.8	$2,788.4
Great Lakes	$2,671.0	$2,684.7
Gulf of Mexico	$4,261.6	$4,327.4
Homeland Security*	$3,764.1	$16,946.5
Lake Champlain	$2,500.0	$954.8
Legal Services	$7,592.2	$8,243.3
Long Island Sound	$2,500.0	$477.4
Management Services and Stewardship	$13,958.3	$15,004.2
Marine Pollution	$7,994.8	$8,170.7
National Estuaries Program/Coastal Watersheds	$24,521.3	$19,246.2
National Nonpoint Source Program Implementation	$16,488.6	$16,908.6
NPDES Program	$40,991.1	$41,720.8
Pacific Northwest	$1,003.8	$1,028.5
Preventing Contamination of Drinking Water Sources	$23,470.2	$22,096.8
PWSS - Homeland Security	$0.0	$5,000.0
Recreational Water and Wet Weather Flows Research	$5,635.8	$5,496.6
Regional Management	$1,280.9	$1,250.4
Safe Drinking Water Research	$45,579.5	$49,491.0
Safe Recreational Waters	$834.4	$842.7
South Florida/Everglades	$2,648.3	$2,665.5
State Nonpoint Source Grants	$237,476.8	$238,476.8

Goal 2: Clean and Safe Water

State Pollution Control Grants (Section 106)	$192,476.9	$180,376.9
State PWSS Grants	$93,100.2	$93,100.2
State Underground Injection Control Grants	$10,950.9	$10,950.9
State Water Quality Cooperative Agreements	$18,958.2	$38,958.2
State Wetlands Program Grants	$14,967.0	$14,967.0
TMDLs	$21,232.1	$21,433.2
Wastewater Management/Tech Innovations	$8,840.1	$9,073.7
Water Infrastructure: Alaska Native Villages	$40,000.0	$40,000.0
Water Infrastructure:Clean Water State Revolving Fund (CW-SRF)	$1,350,000.0	$1,212,000.0
Water Infrastructure:Drinking Water State Revolving Fund (DW-SRF)	$850,000.0	$850,000.0
Water Quality Criteria and Standards	$18,782.4	$19,127.2
Water Quality Infrastructure Protection	$16,783.8	$17,239.2
Water Quality Monitoring and Assessment	$11,665.2	$11,967.7
Watershed Assistance	$7,821.6	$9,479.1
Wetlands	$17,829.8	$18,381.9

**FY 2002 does not include $175.6 million provided in the Emergency Supplemental Appropriations Act for Homeland Security.*

Goal 3: Safe Food

Goal 3: Safe Food

Strategic Goal: The foods Americans eat will be free from unsafe pesticide residues. Particular attention will be given to protecting sub-populations that may be more susceptible to adverse effects of pesticides or have higher dietary exposures to pesticide residues. These include children and people whose diets include large amounts of noncommercial foods.

Resource Summary

(dollars in thousands)

	FY 2002 Enacted	FY 2003 Request	FY 2003 vs. FY 2002
Safe Food	**$109,071.7**	**$109,814.6**	**$742.9**
Reduce Risks from Pesticide Residues in Food	$47,007.0	$45,290.4	($1,716.6)
Eliminate Use on Food of Pesticides Not Meeting Standards	$62,064.7	$64,524.2	$2,459.5
Workyears	777.5	770.1	(7.4)

Means and Strategy

The Agency=s strategy for accomplishing the objectives of Safe Food is based on five pillars, four of which are in Goal 3 and one in Goal 4. Under Goal 3, the EPA is:

- Assuring that new chemicals and new uses are registered in accordance with the FQPA=s strict "standard, reasonable certainty of no harm," and that no harm will result to human health from all combined sources of exposure to pesticides (aggregate exposures);
- Assuring that pesticide maximum legally allowable tolerances for foods eaten by children are in conformance with FQPA requirements;
- Re-evaluating older, potentially higher-risk pesticides using the best current scientific data and methods to determine whether additional limits on a pesticide=s use are needed to provide reasonable certainty of no harm, especially for children and other sensitive populations; and
- Expediting review and registration of alternative pesticides that are less risky than pesticides currently in use and may be substituted effectively for higher risk pesticides.

In 2003, the Agency will continue to promote accelerated registrations for pesticides that provide improved risk reduction or risk prevention compared to those currently on the market. Progressively replacing older, higher-risk pesticides is one

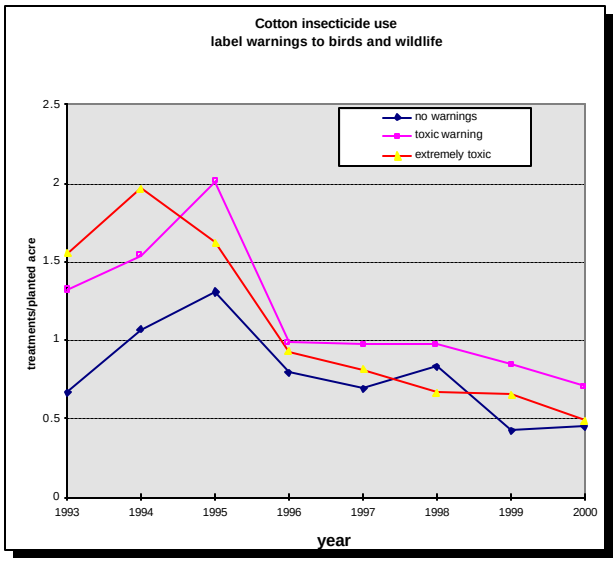
of the most effective methods for curtailing adverse impact on health and the ecosystem while preserving food production rates.

EPA uses its authorities to manage systematically the risks of pesticide exposures by establishing legally permissible food-borne pesticide residue levels, or tolerances. EPA defines the legal use of pesticides, up to and including the elimination of pesticides that present a danger to human health and the environment. This task involves a comprehensive review of existing pesticide use as stipulated by the reregistration provision, as well as a comprehensive reassessment and update of existing tolerances within ten years, as required by FQPA.

The 2003 request emphasizes efforts to evaluate existing tolerances for currently registered pesticides to ensure they meet the new Food Quality Protection Act (FQPA) health standards. This tolerance reassessment program screens and requires testing of certain pesticides and chemicals to evaluate their potential for disrupting endocrine systems in animals or in humans. The emphasis will be on balancing the need for pesticides with the risks of exposure, and allowing for smooth transitions to safer pesticide alternatives, through an open and transparent process that seeks input from all stakeholders.

EPA uses the latest scientific advances in health-risk assessment practices, to ensure that current pesticides meet the standard of a reasonable certainty of no harm, as stipulated by FQPA. This includes the incorporation of new scientific data relating to the effects of endocrine disruption and the special needs of susceptible populations such as children and Native Americans.

Adoption of biotechnology has great potential to reduce reliance on some older, more risky chemical pesticides, and to lower worker risks. For example, the use of Bt cotton has affected the use of other insecticides which present higher risk to wildlife. According to the reported number of insecticide treatments per planted acre of cotton, use of insecticides labeled either toxic or extremely toxic to wildlife has undergone significant reduction since 1995, the extremely toxic pesticides decreasing from 1.6 to 0.5 acre treatments, a 68% reduction. (See chart.)

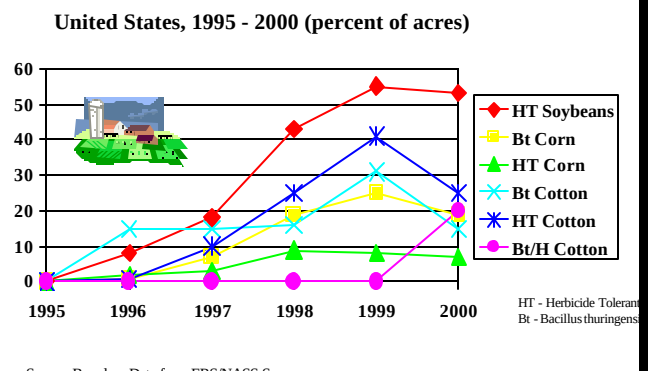


Outreach activities on the subject of biotechnology such as public meetings and scientific peer reviews of our policies and assessments are likely to be expanded to keep pace with changing science and the public's demand for information in this area. EPA is working closely with other federal agencies involved in biotechnology and is also actively involved in developing international standards for the regulation of biotechnology products. Specific activities

in 2003 will include advancing scientific knowledge of allergenicity (i.e.human allergic reactions to pesticide residues); continued implementation of the plant incorporated protectant rule, which defines the type of substances used in bioengineered plants that must undergo scientific evaluation by the Agency; and participating in the Codex Ad Hoc Intergovernmental Task Force on Food Derived from Biotechnology. The Task force is involved in developing international standards governing foods derived from biotechnology.

Use of biotechnology to modify plants so that they resist harmful insects or the effects of herbicides is likely to attract continued public scrutiny, particularly on issues such as allergenicity and gene transfer. Biotechnology is becoming increasingly more important in our economy with bioengineered plants accounting for a larger share of acres planted than ever before in the United States. For example, in 1996, Herbicide Resistant (HT) Soybeans accounted for only 8% of the total U.S. acres planted in soybeans. In 2000, HT Soybeans accounted for 53% of the acres planted (see chart).

Adoption of Genetically Modified Plant Incorporated Protectant Crops



Source: Based on Data from ERS/NASS Survey

While certain issues remain to be addressed, among the potential benefits of biotechnology is a reduction of our reliance on some older, more risky chemical pesticides, thereby reducing worker exposure to these chemical pesticides. To ensure the safety of foods derived from biotechnology, EPA will continue to seek outside expert scientific advice through scientific peer reviews on our regulatory decisions, policies, methods and tools.

New registration actions result in more pesticides on the market that meet the strict FQPA pesticide risk-based standards, which brings the Agency closer to the objective of reducing adverse risks from pesticide use. Tolerance reassessments may mean mandatory use changes because a revision in the allowable residue levels can involve changes in pesticide application patterns, changes in the foods the pesticides may be applied to, and other risk management methods. As measured by the number of tolerances that have been reassessed, the Agency's progress in the tolerance reassessment program directly serves the objective of reducing the use on food of pesticides that do not meet the new standards.

In addition to setting the requirements for continued legal use of agricultural pesticides, EPA works in partnership with USDA, FDA and the States toward the broader effort to prevent the misuse of pesticides. In the ever changing environment of pesticide use, accessibility to information is a primary component of an effective strategy to inform the public on the appropriate, safe use of pesticides to minimize risk.

More information about EPA's food safety efforts is available on the Agency's website at http://www.epa.gov/pesticides.

Research

Current approaches to human health risk assessment focus on single pesticides and do not adequately account for cumulative risks arising from complex exposure patterns and human variability due to age, gender, pre-existing disease, health and nutritional status, and genetic predisposition. Existing tools for controlling and preventing exposure are limited to certain processes and materials.

To support the Food Quality Protection Act (FQPA), EPA must develop the tools (methods, models, approaches) and quality exposure data for characterizing aggregate risks from exposure to pesticides in order to reduce uncertainty in risk assessments. The FQPA identifies clear science needs, including the evaluation of all potential routes and pathways of exposures to pesticides, and resulting health effects, particularly for sensitive subpopulations and considering effects from cumulative exposures.

EPA's research program will continue to focus on: 1) developing and validating methods to identify and characterize, as well as models to predict, the potential increased susceptibility to human health effects experienced by infants and children; 2) identifying and understanding major exposure routes, pathways, and processes, and developing theoretical and experimentally based multipathway exposure models for pesticides and other toxic substances; and 3) addressing the adequacy of current risk assessment methods and providing the necessary risk assessment guidance.

Highlights

Reduce Public Health Risk from Pesticide Residues

FFDCA and FIFRA authorize EPA to set terms and conditions of pesticide registration, marketing and use. EPA will use these authorities to reduce residues of pesticides with the highest potential to cause cancer or neurotoxic effects, including those which pose particular risks to children and other susceptible populations. All new pesticides, including food/feed-use pesticides are registered after an extensive review and evaluation of human health and ecosystem studies and data, applying the most recent scientific advances in risk assessment. The Registration program includes registration activities, such as setting tolerances, registering new active ingredients, new uses, and handling experimental use permits and emergency exemptions.

In 2003, the Agency will continue its efforts to decrease the risk the public faces from agricultural pesticides through the regulatory review of new pesticides, including reduced risk pesticides and biopesticides. EPA expedites the registration of reduced risk pesticides, which are generally presumed to pose lower risks to consumers, lower risks to agricultural workers, and lower risk to the earth's ozone layer, groundwater, aquatic organisms or wildlife. These accelerated pesticide reviews provide an incentive for industry to develop, register, and use lower risk pesticides. Additionally, the availability of these reduced risk pesticides provides

alternatives to older, potentially more harmful products currently on the market.

Reduce Use on Food of Pesticides Not Meeting Current Standards

In FY 2003, the Agency will continue its review of older pesticides and move forward toward its ten year statutory deadline of reassessing all 9,721 tolerances, reassessing a cumulative 66 percent of those tolerances by August 2002 as it tracks towards achieving the goal of a cumulative 100 percent by August 2006. The Agency will also continue to develop tools to screen pesticides for their potential to disrupt the endocrine system. In 2003, EPA will work toward completing 17 Reregistration Eligibility Decisions (REDs), 750 product reregistrations and 225 tolerance reassessments.

The tolerance reassessment process addresses the highest-risk pesticides first. Using data surveys conducted by the USDA, the FDA and other sources, EPA has identified a group of "top 20" foods consumed by children and matched those with the tolerance reassessments required for pesticides used on those foods. The Agency has begun to track its progress in determining appropriate tolerances for these pesticides under the new FQPA standards. In 2003, EPA will continue its effort to reduce dietary risks to children, by completing approximately a cumulative 75 percent of these tolerances of special concern.

Two widely used groups of pesticides, organophosphates and carbamates, are believed to pose higher risks, particularly to children. Curtailing or restricting the use of these pesticides will significantly change current farming practices that have relied upon them, by adopting integrated pest management strategies that draw on cultural, biological, and mechanical techniques as well as chemical. With new strategies comes a steep learning curve on how to use them effectively. This transition requires broad input and participation by stakeholders to minimize adverse, unintended consequences on agriculture. To achieve input, EPA developed a special process for its stakeholder for addressing data analysis and regulatory requirements, protocols, and scientific and public review as the Agency continues to reduce risks posed by these pesticides through regulatory actions. The Agency will continue this important dialogue with stakeholders as we protect human health and the environment by assessing risks of other groups of pesticides.

EPA's authority to collect Reregistration Maintenance Fees expires at the end of FY 2002 under the 2002 appropriations bill for the Agency. The 2003 request substitutes appropriated funds for fees to fund the reregistration program. The appropriated dollars for this were reprogrammed from the tolerance assessment program which will be funded by fee revenue starting in March 2003.

The Reregistration program was accelerated by the 1988 amendments to FIFRA and enhanced by FQPA, which includes a tolerance reassessment requirement. Through the Reregistration program, EPA reviews pesticides currently on the market to ensure they meet the latest health standards. Pesticides not in compliance with the new standards will be eliminated or restricted in order to minimize potentially harmful exposure. The issuance of a Reregistration Eligibility Decision (RED) for a pesticide under reregistration

review summarizes the health and environmental effects findings of that pesticide and determines whether existing tolerances protect human health and the environment. The findings determine whether the products registered under this chemical are eligible for reregistration. The Agency's progress in achieving goals for production of REDs and its tolerance reassessment component are summarized in the chart.

FQPA added considerably more complexity into the pesticide reregistration process lengthening the "front end" of reregistration. These requirements include considering aggregate exposure and cumulative risk in our risk assessments, implementing new processes to increase involvement of pesticide users and other stakeholders, and ensuring a reasonable opportunity for agriculture to make the transition to new, safer pest control tools and practices. Over the longer run, these changes will enhance protection of human health and the environment.

Pesticide reregistration is a statutory requirement under the 1988 amendments to FIFRA. Under the law, all pesticides registered prior to November 1984 must be reviewed to ensure that they meet current health and safety standards. The 1996 Food Quality Protection Act requires the reassessment of pesticide tolerances by 2006. Many pesticides must be reviewed under both statutes.

The program has been working to integrate new FQPA requirements with the reregistration program to avoid duplication and increase efficiency. Implementing FQPA has also consumed time and effort as the technical challenge posed by reregistration of older pesticides has been increased by the health and safety enhancements of FQPA, including:

- Review of inert ingredients;
- Reform of the antimicrobial review process;
- Transparency of our regulatory decisions;
- Incorporation of aggregate and cumulative risk into our reviews;
- Special protection for infants and children; and
- Endocrine screening of pesticides, minor use enhancements and reduced risk registration emphasis.

These and other additional requirements required that the Agency revise, in some cases overhaul, its existing policies, procedures, process, and databases. The Agency also needed to consider a reasonable transition to FQPA for agriculture, and thus a substantive stakeholder participation process had to be developed for input from those affected. All these considerations resulted in the temporary slow-down of the program.

By the end of FY 2003, EPA expects to have implemented EPA's science policies, including the cumulative risk policy, to meet the ten-year tolerance reassessment deadline. As required by FQPA, EPA has developed a tolerance fee rule that recovers from pesticide manufacturers the full cost of setting and reevaluating pesticide tolerances on food.

Additionally, to meet another FQPA need, EPA is developing a process for periodic review of pesticide registrations. This new program will update all pesticide registrations using current health standards, scientific data, risk assessment methodologies, program policies and

effective risk reduction measures. In 2003, the Agency will continue developing and refining the framework for the registration review program and issue the final regulation for the program.

Research

In FY 2003, EPA's research program will continue to develop pesticides exposure and effects data, risk assessment methods and models for children, and control technologies needed to comply with the requirements of Food Quality Protection Act (FQPA) - effectively engaging all components of the risk paradigm.

Specifically, exposure research will address major exposure data gaps, distributions of key exposure factors (especially across age groups for children and exposures for other susceptible sub-populations), and uncertainties associated with the exposure assessment requirements for FQPA. Health effects research will also develop methods to evaluate the effects of cumulative exposures to pesticides and toxic chemicals, including:

both long-term exposures and multiple acute exposures. Risk assessment research will continue to compare pesticide exposures across age groups, identify factors leading to higher exposures, and analyze data to improve the evaluation of exposure factors for pesticide risk assessment. Results will support risk assessments under FQPA and the development of Agency guidelines for cumulative risk assessment through the EPA Risk Assessment Forum (ERAF). Risk management research will evaluate characteristics of commonly used pesticides or pesticides of particular concern to determine which chemicals should be targeted for development of risk management tools.

2003 Annual Performance Goals

- In 2003, decrease adverse risk from agricultural uses from 1995 levels and assure that new pesticides that enter the market are safe for humans and the environment, through ensuring that all registration action are timely and comply with standards mandated by law.

- In 2003, occurrence of residues of carcinogenic and cholinesterase inhibiting neurotoxic pesticides on foods eaten by children will have decreased by 20 percent (cumulative) from their average 1994 to 1996 levels.

- In 2003, at least six percent of acre-treatments will use applications of reduced risk pesticides.

- In 2003, assure that pesticides active ingredients registered prior to 1984 and the products that contain them are reviewed to assure adequate protection for human health and the environment. Also consider the unique exposure scenarios such as subsistence lifestyles of Native Americans in regulatory decisions.

- By the end of 2003 EPA will reassess a cumulative 68% of the 9,721 pesticide tolerances required to be reassessed over ten years and complete reassessment of a cumualtive 75% of tolerances of special concern in protecting the health of children.

Goal 3: Safe Food

Goal 3: Safe Food Key Programs

(dollars in thousands)

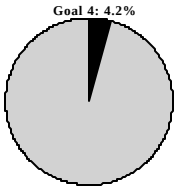
	FY 2002 Enacted	FY 2003 President's Request
Endocrine Disruptor Screening Program	$5,249.1	$5,360.4
Facilities Infrastructure and Operations	$9,300.4	$9,616.6
Homeland Security*	$14.0	$0.0
Legal Services	$1,453.2	$1,560.8
Management Services and Stewardship	$1,435.5	$1,275.2
Pesticide Registration	$31,832.4	$30,882.2
Pesticide Reregistration	$33,397.8	$44,265.8
Pesticide Residue Tolerance Reassessments	$14,671.8	$5,267.9
Research to Support FQPA	$11,377.4	$10,821.3
Safe Pesticide Applications	$25.0	$0.0
Science Coordination and Policy	$315.1	$764.4

**FY 2002 does not include $175.6 million provided in the Emergency Supplemental Appropriations Act for Homeland Security.*

Goal 4:

Preventing Pollution and Reducing Risk in Communities, Homes, Workplaces, and Ecosystems

Goal 4: Preventing Pollution and Reducing Risk in Communities, Homes, Workplaces and Ecosystems



Strategic Goal: Pollution prevention and risk management strategies aimed at eliminating, reducing, or minimizing emissions and contamination will result in cleaner and safer environments in which all Americans can reside, work, and enjoy life. EPA will safeguard ecosystems and promote the health of natural communities that are integral to the quality of life in this nation.

Resource Summary
(dollars in thousands)

	FY 2002 Enacted	FY 2003 Request	FY 2003 vs. FY 2002
Preventing Pollution and Reducing Risk in Communities, Homes, Workplaces, and Ecosystems	**$319,915.1**	**$326,651.9**	**$6,736.8**
Reduce Public and Ecosystem Risk from Pesticides	$55,543.9	$55,409.8	($134.1)
Reduce Risks from Lead and Other Toxic Chemicals	$36,273.5	$36,355.9	$82.4
Manage New Chemical Introduction and Screen Existing Chemicals for Risk	$74,235.6	$77,538.2	$3,302.6
Ensure Healthier Indoor Air	$39,670.1	$40,322.7	$652.6
Facilitate Prevention, Reduction and Recycling of PBTs and Toxic Chemicals	$48,755.4	$46,115.9	($2,639.5)
Assess Conditions in Indian Country	$65,436.6	$70,909.4	$5,472.8
Workyears	1,204.9	1,193.9	(11.0)

Means and Strategy

The diversity and sensitivity of America's environments (communities, homes, workplaces and ecosystems) requires EPA to adopt a multi-faceted approach to protecting the public from the threats posed by pesticides, toxic chemicals and other pollutants. The underlying principle of the activities in this goal is the application of pollution prevention practices, which can be cheaper and smarter than cleanup and

remediation, as evidenced by the high cost of Superfund, Resource Conservation and Recovery Act (RCRA), and Polychlorinated Biphenyls (PCB) cleanups. Pollution Prevention (P2) involves changing the behavior of those that cause the pollution and fostering the wider use of preventive practices as a means to achieve effective, sustainable results.

Under this Goal, EPA ensures that pesticides and their application methods do not present unreasonable risks to human health, the environment, and ecosystems. In addition to the array of risk-management measures specified in the registration authorities under the Federal Insecticide, Fungicide, and Rodentcide Act (FIFRA) for individual pesticide ingredients, EPA has specific programs to foster worker and pesticide-user safety, ground-water protection, and the safe use of pesticides and other pest control methods. These programs work to ensure the comprehensive protection of the environment and wildlife, endangered species in particular, and to reduce the contribution of pesticides to ecological threats such as pollutant loading in select geographic areas. EPA is also addressing emerging threats such as endocrine disruptors by developing and implementing new screening technologies to assess a chemical's impact on hormonal activity.

Within the pesticide program, EPA pursues a variety of field activities at the regional, state, Tribal and local levels, including the promotion of pesticide environmental stewardship and Integrated Pest Management (IPM). States and Tribes are vital partners in our work to implement FQPA. Newer lab equipment will assist States enforcement of new FQPA standards. The voluntary partnerships and outreach programs that help farmers transition away from the riskier products are often catalyzed by state participation. These programs, combined with the availability of newer and safer pesticides, are having a real impact. In 2003 we expect at least 6 percent of acre-treatments will use applications of reduced-risk pesticides. We are seeing a reduction in wildlife impacts from pesticides as well, and in 2003 we project an additional 10 percent reduction in reported incidents of wildlife mortalities, from the 1995 level (for a cumulative 20 percent). That means fewer bird casualties, and fewer fish kills. The accumulation of these improvements will mean safer food, improved biodiversity, and a cleaner environment.

The Agency remains committed to safeguarding our Nation's communities, homes, workplaces and ecosystems. Preventing pollution through regulatory, voluntary, and partnership actions — educating and changing the behavior of the public — is a sensible and effective approach to sustainable development while protecting our nation's health. Two groups with significant potential to effect environmental change are industry and academia. The Agency has successfully pursued a number of pollution prevention programs with both of these groups. Likewise, improved understanding of the potential risks to health from airborne toxic chemicals present indoors will strengthen our ability to reduce residents' exposure through voluntary changes in behavior and through potential product reformulation.

Preventing pollution through partnerships is also central to EPA's Chemical Right-to-Know Program (ChemRTK) which has already started

providing the public with information on the basic health and environmental effects of the 2,800 highest production volume (HPV) chemicals in the United States (chemicals manufactured in or imported into the U.S. in quantities of at least 1 million pounds). Most residents come into daily contact with many of these chemicals, yet relatively little is known about their potential impacts. Getting basic hazard testing information on large volume chemicals is the focus of the "HPV Challenge Program," a voluntary program challenging industry to develop chemical hazard data that are critical to enable EPA, State, Tribes, and the public to screen chemicals already in commerce for any risks they may be posing.

Children's health remains a strong focus of the indoor environments program. Efforts in FY 2003 will target reductions in the presence of indoor triggers of asthma, such as environmental tobacco smoke and biological contaminants, by continuing to educate the public about the disease and about the steps they can take to reduce the severity and frequency of asthma attacks. Voluntary work will be undertaken by schools to empower their students to manage their asthma symptoms better, by school personnel to improve the indoor environments of their schools, and by health care personnel to incorporate education about managing environmental asthma triggers into asthma treatment plans for their patients. EPA will continue to work toward bottom line results to reduce risk and improve indoor air quality through implementation of the Indoor Air Quality (IAQ) "Tools for Schools" kit and schools-based asthma education programs such as the "Open Airways" program in elementary schools. EPA will also continue work in the radon area primarily through the State Indoor Radon Grant Program where EPA provides assistance to the States for the development and implementation of programs to assess and mitigate radon to enhance the effectiveness of state and local activities for radon risk management and reduction.

Also central to the Agency's work under this goal in FY 2003 will be continued attention to reducing potential risk from persistent, bioaccumulative and highly toxic chemicals (PBTs) and from chemicals that have endocrine disruption effects. PBT chemicals are of particular concern not only because they are toxic but also because they may remain in the environment for a long period of time, are not readily destroyed, and may build up or accumulate to high concentrations in plant or animal tissue. In cases involving mercury and PCBs, they may accumulate in human tissue. EPA is also taking the initial steps to address the potential threat of endocrine disrupting chemicals on the health of humans and wildlife. Work focuses on developing and validating new chemical screens and tests to isolate those chemicals and characterize the threat.

EPA programs under this Goal have many indirect effects that significantly augment the stream of benefits they provide. For example, each year the Toxic Substances Control Act (TSCA) New Chemicals program reviews and manages the potential risks from approximately 1,800 new chemicals and 40 products of biotechnology that enter the marketplace. This new chemical review process not only protects the public from the possible immediate threats of harmful chemicals, like PCBs, from entering the marketplace, but it has also contributed to changing the

behavior of the chemical industry, making industry more aware and responsible for the impact these chemicals have on human health and the environment. This awareness has led industry to produce safer "greener" alternative chemicals and pesticides. Under the Pollution Prevention Framework, the Agency recently started providing industry training in the use of the same tools that EPA uses to assess new chemicals, enabling companies to make smarter choices at earlier stages in their design process, reducing government costs, and hastening the entry of safer new products into the marketplace.

The Design for the Environment (DfE), Green Chemistry Program and Green Engineering (GE) build on and expand new chemistry efforts. They target industry and academia to maximize pollution prevention. Our DfE Program forms partnerships with industry to find sensible solutions to prevent pollution. In one example, taking a sector approach, EPA has worked with the electronics industry to reduce the use of formaldehyde and other toxic chemicals in the manufacture of printed wiring boards. Our Green Chemistry Program also forms partnerships with industry and the scientific community to find economically viable technical solutions to prevent pollution. In addition, the Green Engineering Program works with the American Society of Engineering Education (ASEE) to incorporate GE approaches into engineering curricula.

In several cases, achieving the strategic objectives under this goal is a shared responsibility with other federal, state and Tribal partners. For example, EPA's role in reducing the levels of childrens lead exposure involves promotion of federal-state-Tribe partnerships to decrease the number of specific sources of lead to children, primarily from addressing lead-based paint hazards. These partnerships emphasize development of a professional infrastructure to identify, manage and abate lead-based paint hazards, as well as public education and empowerment strategies, which fit into companion Federal efforts with Department of Health and Human Services (HHS), Department of Defense (DOD), Department of Energy (DOE), Department of Justice (DOJ), Centers for Disease Control (CDC), and Department of Housing and Urban Development (HUD). These combined efforts help to monitor lead levels in the environment, with the intent of virtually eliminating lead poisoning in children.

Intrinsic to the effort to prevent pollution is the minimization of the quantities of waste generated by the public, industry, government agencies, and hazardous-waste management operations. Strategies range from fostering materials reuse and recycling and other resource-recovery processes to broad-based campaigns to re-engineer the consumption and use of raw materials or personal conservation of resources. Effective and sustainable programs reduce the need for storage, treatment or disposal of hazardous or municipal wastes, while reducing costs to industry and municipalities.

In FY 2003, EPA's waste management program will increase consumer and individual awareness of environmental issues by focusing on an environmental retail theme. This will emphasize a retail outreach approach targeted at consumers and households. EPA's environmental retail theme promotes better environmental decision-making,

greater interest in the environment, and environmental stewardship on the manufacturing level.

Since this Goal focuses on how the public lives in communities, it features the Agency's commitment of fulfilling its responsibility for assuring human health and promoting environmental protection in Indian Country. EPA's policy is to work with Tribes on a government-to-government basis that affirms the vital trust responsibility that EPA has with 572 Tribal governments and remain cognizant of the Nation's interest in conserving the cultural uses of natural resources.

Research

Currently, there are significant gaps with regard to the understanding of actual human and ecological exposures to pesticides and toxic substances. To address those data gaps, this research will provide a strategic framework for developing an integrated suite of tools and models that will enhance EPA's procedures for assessing the risks to human health and ecological systems associated with commercial chemicals, microorganisms, and genetically modified organisms.

Highlights

EPA seeks to prevent pollution at the source as the first choice in managing environmental risks to humans and ecosystems. Where pollution prevention at the source is not a viable alternative, the Agency will employ risk management and cost effective remediation strategies. Reducing pollution at the source will be carried out using a multi-media approach in the following environmental problem areas:

Reduce Public and Ecosystem Risks from Pesticides

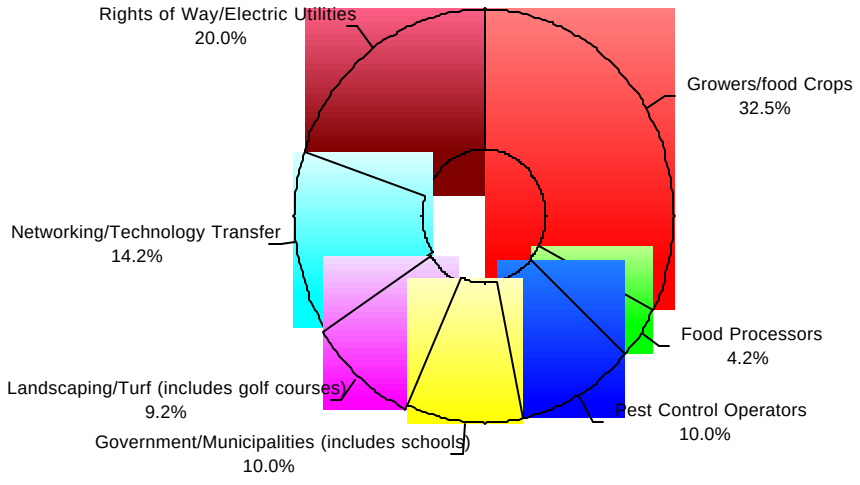
Reducing risk from exposure to pesticides requires a multi-faceted approach. Beyond being exposed through the food we eat, the general public, applicators, and farm workers may be exposed to pesticides through direct handling, groundwater contamination or aerial spray. One intent of the Food Quality Protection Act (FQPA) is to protect the public by shifting the nation toward reduced risk pesticides and safer pesticide use. Appropriate transition strategies to reduced risk pesticides are important to the nation to avoid disruption of food supply or sudden changes in the market that could result from abruptly terminating the use of a pesticide before well-targeted reduced risk equivalents can be identified and made available. In 2003, the initiative will continue efforts to reach more farmers, and grower groups, encourage them to adopt safer pesticides, use environmental stewardship and integrated pest management practices, and adopt a "whole farm" approach to environmental protection. Through these partnership programs the Agency has become more aware of the multiple pressures on our nation's agricultural industry and the interaction of the various environmental requirements that affect it. In 2003, the strategic agricultural partnership program will be expanded to explore policy and process improvements that more fully integrate EPA's water, air and pesticides programs' work with the agricultural industry.

In 2003, the Agency will increase funding by almost 50% to strengthen state capacity in the pesticides program implementation to meet the growing

challenges of FQPA, as well as providing multi-year funding devoted specifically to improving state laboratory capacity. Additionally, through the Certification and Training (C&T) and Worker Protection (WP) programs, EPA will continue training and educating farm workers and employers on worker safety practices and the dangers of pesticides. EPA will continue to protect the Nation's ecosystems and reduce adverse impacts to endangered species through various regulatory and voluntary programs, including the Pesticide Environmental Stewardship Program (PESP) and integrated pest management (IPM). The Agency will emphasize efforts with our Tribal partners to address pesticide issues and enhance the development of Tribal technical capacity, particularly in the areas of risk management, worker safety, training, and pollution prevention.

Together, the WP and the C&T programs address issues of safe pesticide use and pesticide exposure. These programs emphasize safeguarding workers and other pesticide users from occupational exposure to pesticides by providing training for workers, employers, and pesticide applicators and handlers. Training and certification of applicators of restricted use pesticides further ensures that workers and other vulnerable groups are protected from undue pesticide exposure and risk. Recertification requirements keep their knowledge current with label changes, application improvements, availability of new pesticides and other pesticide related issues. The Endangered Species program will enlist the support of the agricultural community and other interested groups to protect wildlife and critical habitats from pesticides. This voluntary program is carried out through communications and outreach efforts and in coordination with other federal agencies. The Pesticide Environmental Stewardship Program (PESP) and Integrated Pest Management (IPM) play pivotal roles in moving the nation to the use of safe pest control methods, including reduced risk pesticides. These closely related programs promote risk reduction through collaborative efforts with stakeholders to use safer alternatives to traditional chemical methods of pest control.

Pesticide Environmental Stewardship Members



Antimicrobial sterilants and disinfectants are used to kill microorganisms on surfaces and objects in hospitals, schools, restaurants and homes. Antimicrobials require appropriate labeling and handling to ensure safety and efficacy. EPA remains focused on accurate product labeling and product efficacy and meeting other requirements for antimicrobial sterilants set forth by FQPA, as well as the reregistration of older antimicrobials to ensure they meet today's standards.

Reduce Risks from Lead and Other Toxic Chemicals

EPA is part of the Federal effort to address lead poisoning and elevated blood levels in children by assisting in, and in some cases guiding, federal activities aimed at reducing the exposure of children in homes with lead-based paint. During FY 2003, EPA will continue implementing its comprehensive program to reduce the incidence of lead poisoning and elevated blood levels in children nationwide.

In 2003, EPA will continue the Lead Based Paint Training & Certification Program in all fifty States through EPA authorized state, territorial or Tribal programs or, in States and territories without EPA authorization, through direct implementation by the Agency. By the end of 2003, we expect to have provided the nation with more than 6,000 individuals and firms formally certified in properly abating lead paint hazards. In the lead regulatory program, EPA will finalize one major rule on training and certification for renovation and remodeling activities. We will also be working to finalize a major rule setting standard for deleading of buildings and structures, which will be proposed late in 2002.

EPA will continue to implement the new Lead Hazards Standards Rule (finalized in 2001), the Lead Renovation Information Rule and the Real Estate Notification & Disclosure Rule. EPA is working with other Federal Agencies including Department of Health and Human Serviced (HHS), Department of Housing and Urban Development (HUD), Department of Defense (DOD), Department of Energy (DOE), Consumer Product Safety Commission (CPSC), and Department of Justice (DOJ) on implementing a Federal Strategy to virtually eliminate lead poisoning.

For other chemicals whose significant risks are well established (such as PCBs, asbestos, and dioxin), reductions in use and releases are important to reducing exposure of the general population as well as sensitive sub-populations. In FY 2003, EPA's PCB control efforts will encourage phase-out of PCB electrical equipment, ensuring proper waste disposal methods and capacity, and fostering PCB site cleanups. 660,000,000 Kg of bulk PCB-contaminate waste will be safely disposed of in 2003. The Agency will continue assessing dioxin risks, including identifying and quantifying the link between dioxin sources and the general population exposure, and development of a plans to develop an dioxin strategy to respond to the latest science and address dioxin risk management in a more comprehensive cross-media approach.

Manage New Chemical Introduction and Screen Existing Chemicals for Risk

Under TSCA, EPA identifies and controls unreasonable risks associated with chemicals. The chemical right-to-know program addresses a critical gap in the nation's knowledge about the health and environmental hazards of high production volume chemicals (HPVs). EPA is working with industry to put information about those chemicals into the hands of the public so they can make better and more informed consumer choices.

EPA's Chemical Right-to-Know Initiative (ChemRTK) has already started providing the public with information on the basic health and environmental effects of the 2,800 highest production volume (HPV) chemicals in the United States (chemicals manufactured in or imported into the U.S. in quantities of at least 1 million pounds). Industry response to the HPV Challenge has been overwhelming: more than 460 companies have voluntarily committed themselves to providing EPA with test data for 2,155 chemicals and 187 chemical categories of the 2,800 HPV chemicals. EPA has already commenced its review and public posting of these company submissions. By the end of FY 2002, the Agency expects to have posted test data covering 8% of the HPV chemicals. EPA is requesting additional resources for the ChemRTK program in FY 2003 to bolster our ability to keep pace with the pending increase of industry data submissions. These additional resources will make it possible for EPA to nearly double the amount of publicly available HPV chemical test data, increasing the cumulative number of chemical data postings from 224 chemicals in 2002 to 420 chemicals in 2003 (15% of the 2,800 HPV's).

Under a parallel Voluntary Children's Chemical Evaluation Program that will be launched in 2002 (a pilot was started in 2001), EPA and industry will collaborate in fully assessing the risks associated with chemicals to which children are exposed. With our state partners we will work to establish a series of pilot programs to address TSCA responsibilities at the state level, where local knowledge of unique problems or solutions can bring greater efficiencies to this wide ranging program.

An important Agency priority is to develop and use valid chemical screens and tests to identify and characterize the risk of chemicals that may cause endocrine disruption in humans, fish and wildlife. In 2002 EPA will put in place an Endocrine Disruptor Methods Validation Subcommittee (EDMVS) made up of approximately 25 scientific experts representing outside interest groups. These experts will meet during 2002 and 2003 to provide advice and counsel to EPA on scientific issues associated with the conduct of studies necessary for validation of screening and testing methods listed in the Agency's Endocrine Disruptor Screening Program. The EDMVS will be reviewing the development of approximately 13 laboratory test methods.

Ensure Healthier Indoor Air for All

The Agency has set a goal of healthier indoor air for millions of students, staff, and faculty. To meet this goal, the Agency will reduce asthma incidents and other respiratory ailments by promoting improved indoor air quality and indoor

environment management. By increasing the number of schools where "Tools for Schools" indoor air quality guidelines are adopted and implemented, healthier indoor air will be provided for millions of students, staff, and faculty. In FY 2003, improved air quality is anticipated for 1,050,000 students, staff and faculty through the voluntary Tools for Schools (TfS) program, including an effort to obtain commitments from five of the 50 largest school districts in the country to implement TfS.

In FY 2003, the Agency expects 848,000 Americans to be living in healthier residenial indoor environments. Part of meeting this goal includes the expansion of EPA's successful community-based educational partnerships addressing sound indoor environmental management. In FY 2003, the Agency expects to utilize these partnerships to educate 136,000 people with asthma and their caregivers about improved indoor air quality techniques. Additionally, EPA will focus on indoor environment issues related to older Americans' health by assessing the links between environmental exposure and older Americans' health and developing activities to address those links. The Agency will also develop pilot programs with community organizations serving older populations in order to gather information and address and educate older Americans about indoor environmental issues.

Facilitate Prevention, Reduction and Recycling of PBT's and Toxic Chemicals

Pollution prevention and waste minimization require a comprehensive effort of minimizing the quantity and toxicity of waste generated by industries, the government and individual citizens. EPA's role includes several specific activities addressing industrial hazardous waste and municipal and industrial solid waste.

Preventing pollution can be cost-effective to industry in cases where it reduces excess raw materials and energy use. P2 can also reduce the need for expensive "end-of-pipe" treatment and disposal, enable firms to avoid potential liability, and support quality improvement incentives in place at facilities. Current EPA strategies include institutionalizing preventive approaches in EPA's regulatory, operating, and compliance/enforcement programs and facilitating the adoption of pollution prevention techniques by States, Tribes, the academic community and industry.

In FY 2003, EPA is requesting additional resources to launch a bold new Advancing Environmental Stewardship in America's Communities Initiative. The Agency will be working hand-in-hand with States to challenge and assist American industry in achieving important national environmental goals through new innovations in product and service design, production, and delivery.

One approach the Agency employs is the industrial sector-based focus that promotes cleaner technologies leading to a reduction of risks to health and the environment. EPA's Design for the Environment (DfE) Program works in partnership with industry to develop comparative risk, performance, and cost information about alternative technologies, chemicals, and processes in order to make environmentally informed business decisions.

In this objective, EPA provides the national leadership so important to reducing the generation of municipal and industrial solid waste regulated under RCRA Subtitle D and to improving the recovery and conservation of materials and energy through source reduction and recycling. EPA encourages source reduction of municipal solid waste through its WasteWise program and encourages recycling and the recycling market through such programs as Pay-As-You-Throw and Jobs Through Recycling. In addition, working with public and private sector stakeholders, EPA promotes financial and technological opportunities for recycling/reuse businesses. In FY 2003, the Agency will serve as a catalyst for innovative source reduction and recycling in many industrial sectors, including waste reduction opportunities for construction and demolition debris, food wastes, tires, electronics equipment, carpet, transport packaging, and plastic beverage packaging. EPA will kick off an environmental retail initiative that encourages consumers and individuals to think about environmental issues at the "point of purchase."

In the hazardous waste arena, regulated under RCRA Subtitle C, the Agency's focus is on reducing the presence of priority chemicals in hazardous waste by 50 percent by FY 2005 (compared to a 1991 baseline). This goal is consistent with other national and international toxic chemical reduction efforts. In FY 2003 the Agency will encourage and support implementation at the Regional, state and local levels through voluntary pollution prevention partnerships that not only make economic sense but must also decrease human and environmental exposure to toxic wastes. By FY 2003, EPA plans to initiate partnerships with companies willing to make specific commitments to reducing hazardous waste as part of the Agency-wide Voluntary Chemical Reductions program.

The Agency will continue reducing the barriers to safe recycling of hazardous waste through changes to recycling regulatory standards and ongoing outreach to stakeholders to explore additional innovations. EPA will place particular emphasis on ways to increase safe hazardous waste recycling while reducing the burden for small businesses concerned with printing, electronics recycling, and metal finishing.

The Green Chemistry Challenge Program continues to be an effective catalyst for the behavioral change necessary to drive the research, development, and implementation of green chemistry technologies. In addition, this program also continues to provide an opportunity to quantitatively demonstrate the technical, environmental, and economic benefits that green chemistry technologies offer. In 2003, the Green Chemistry Program will be focusing its outreach, awards, and research efforts to target: 1) audiences not currently involved in green chemistry product and process design; and, 2) specific high priority chemicals, products, and/or processes for which safer alternatives are not available.

To address continuing issues associated with PBTs, EPA launched a cross-office, cross-media PBT program in FY 1999. Through this effort, the Agency seeks to prevent, minimize and, when possible, eliminate PBTs which are harmful to both human health and the environment. By the beginning of FY 2003, the Agency plans to be well into the implementation of

its Mercury National Action Plan, focusing on seven key priority areas. Critical measurement and monitoring efforts will be in their third year, facilities will be collecting PBT chemical release data under the new TRI rule, and submissions under TSCA for approval of new PBT chemicals for entry into commerce will be under close scrutiny.

Assess Conditions in Indian Country

EPA places particular priority on working with Federally Recognized Indian Tribes on a government-to-government basis to improve environmental conditions in Indian country in a manner that affirms the vital trust responsibility that EPA has with some 572 Tribal governments. The Agency will concentrate on building Tribal programs and strive to complete a documented baseline assessment of environmental conditions for Tribes. These assessments will provide a blueprint for planning future activities identified in Tribal/EPA Environmental Agreements (TEAs) or similar Tribal environmental plans to address and support priority environmental multi-media concerns in Indian country.

In 2003, EPA is requesting a total of $57.5 million for Indian General Assistance Program grants. These resources will allow most Tribes to support at least one or two persons working in their community to build a strong, sustainable environment for the future. These stewards perform vital work by assessing the status of a Tribe's environmental condition and building an environmental program tailored to that Tribe's needs. Another key role of this workforce is to alert EPA of serious conditions requiring attention in the near term so that, in addition to assisting in the building of Tribal environmental capacity, EPA can work with the Tribe to respond to immediate public health and ecological threats.

EPA continues to consider additional approaches on how EPA and Indian Tribes might work in concert to protect public health and the environment in Indian country. As part of that effort, EPA is proposing to continue authority granted in FY 2002 to enter into cooperative agreements with Tribes to assist EPA in implementing environmental programs in instances where the Tribe has not achieved primacy. Implementation of this approach would allow for a more gradual transition to full program authorization by allowing for varying degrees of Tribal involvement based on an individual Tribe's capabilities and interests.

Research

In FY 2003, health effects research under this goal will continue to focus on development of mechanistically-based predictive models for human health risk assessment, such as structure-activity-relationship models, to help determine testing needs under Section 5 of the Toxic Substances Control Act (TSCA), which addresses the introduction of new chemicals into commerce. Research will address the need for methods to evaluate effects associated with a variety of exposure conditions and the special sensitivities of certain subpopulations (including children) based on age, genetic factors, and health status. These methods will be used to evaluate endpoints of toxicity that are qualitatively different from those of concern for the general population. EPA will continue to participate in the Agriculture

Health Study (AHS). The primary objective of the EPA exposure study is to collect high quality exposure data that can be used to evaluate how accurately the AHS questionnaire classifies pesticide application activities and enables the prediction of applicator exposure and dose.

Also, EPA proposes in FY 2003 to begin a major research effort focused on biotechnology. Areas of research will include: 1) potential allergenicity of proteins introduced into the food supply by biotechnology; 2) potential adverse ecological effects on non-target species or as a result of unintended gene transfer; and 3) potential development of pesticide resistance in the target species. This research will result in improved capability to assess the risks of allergenicity from genetically altered food, improved capability to assess the ecological risks associated with genetically modified organisms, and tools to manage gene transfer and resistance.

2003 Annual Performance Goals

- In 2003, reduce by 20 percent from 1995 levels the number of incidents involving mortalities to terrestrial and aquatic wildlife caused by pesticides.
- In 2003, reduce lead exposure in housing units and in the deleading of bridges and structures.
- In 2003, of the approximate 1,800 applications for new chemicals and microorganisms submitted by industry, ensure those marketed are safe for humans and the environment. Increase proportion of commercial chemicals that have undergone PMN review to signify they are properly managed and may be potential green alternatives to existing chemicals.
- In 2003, provide information and analytical tools to the public for assessing the risks posed by toxic chemicals.
- In 2003, 834,400 additional people will be living in healthier residential indoor environments.
- In 2003, 1,050,000 students, faculty and staff will experience improved indoor air quality in their schools.
- In 2003, the quantity of Toxic Release Inventory (TRI) pollutants released, disposed of, treated or combusted for energy recovery in 2003, (normalized for changes in industrial production) will be reduced by 200 million pounds, or 2%, from 2002. This data will be reported in 2005.
- In 2003, divert an additional 1% (for a cumulative total of 32% or 74 million tons) of municipal solid waste from land filling and combustion, and maintain per capita generation of RCRA municipal solid waste at 4.5 pounds per day.
- In 2003, AIEO will evaluate non-Federal sources of environmental data pertaining to conditions in Indian Country to enrich the Tribal Baseline Assessment Project.

Goal 4: Preventing Pollution and Reducing Risk in Communities, Homes, Workplaces and Ecosystems

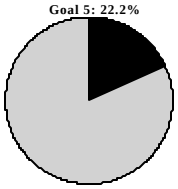
Goal 4: Preventing Pollution Key Programs
(dollars in thousands)

	FY 2002 Enacted	FY 2003 President's Request
Air,State,Local and Tribal Assistance Grants: Other Air Grants	$8,139.9	$8,139.9
American Indian Environmental Office	$9,911.6	$10,219.7
ATSDR Superfund Support	$654.3	$0.0
Children's Indoor Environments	$13,287.9	$13,918.4
Community Assistance	$474.4	$507.1
Congressionally Mandated Projects	$4,267.5	$0.0
Design for the Environment	$4,707.6	$4,810.7
Endocrine Disruptor Screening Program	$3,703.3	$3,703.1
Environmental Monitoring and Assessment Program, EMAP	$66.0	$0.0
Existing Chemical Data, Screening, Testing and Management	$28,286.4	$28,331.9
Facilities Infrastructure and Operations	$16,964.9	$16,976.0
Grants to States for Lead Risk Reduction	$13,682.0	$13,682.0
Indoor Environments	$9,366.2	$9,307.6
Lead Risk Reduction Program	$13,092.6	$13,166.3
Legal Services	$2,986.9	$3,277.1
Management Services and Stewardship	$2,822.0	$2,789.6
National Program chemicals: PCBs, Asbestos, Fibers,and Dioxin	$6,775.5	$6,994.5
New Chemical Review	$14,088.8	$14,730.2
Partnerships to Reduce High Risk Pesticide Use	$10,407.0	$12,279.8
PBTI	$2,572.5	$2,580.5
Pesticide Registration	$10,609.7	$11,016.6
Pesticide Reregistration	$3,793.3	$3,907.2
Pesticides Program Implementation Grant	$13,085.5	$13,085.5
Pollution Prevention Incentive Grants to States	$5,986.3	$5,986.3
Pollution Prevention Program	$9,597.8	$9,902.8
Radon	$6,453.0	$6,493.9
RCRA State Grants	$4,007.6	$4,007.6
RCRA Waste Reduction	$14,633.7	$13,740.7
Regional Management	$93.3	$98.0
Research to Support Safe Communities	$21,593.6	$25,149.6
Safe Pesticide Applications	$11,157.2	$10,193.9
Science Coordination and Policy	$177.1	$185.7
Tribal General Assistance Grants	$52,469.7	$57,469.7

Goal 5:

Better Waste Management, Restoration of Contaminated Waste Sites, and Emergency Response

Goal 5: Better Waste Management, Restoration of Contaminated Waste Sites, and Emergency Response



Strategic Goal: America's wastes will be stored, treated, and disposed of in ways that prevent harm to people and to the natural environment. EPA will work to clean up previously polluted sites, restore them to uses appropriate for surrounding communities, and respond to and prevent waste-related or industrial accidents.

Resource Summary
(dollars in thousands)

	FY 2002 Enacted	FY 2003 Request	FY 2003 vs. FY 2002
Better Waste Management, Restoration of Contaminated Waste Sites, and Emergency Response	**$1,520,683.8**	**$1,711,279.8**	**$190,596.0**
Control Risks from Contaminated Sites and Respond to Emergencies	$1,354,840.9	$1,544,018.6	$189,177.7
Regulate Facilities to Prevent Releases	$165,842.9	$167,261.2	$1,418.3
Workyears	4,308.5	4,498.7	190.2

Means and Strategy

EPA and its partners will continue their efforts to achieve this goal by promoting better waste management, cleaning up contaminated waste sites, and preventing waste-related or industrial accidents. To date, EPA and its partners have made significant progress toward achieving its two primary objectives that address human health and the environment at thousands of Superfund, Brownfields, Resource Conservation and Recovery Act (RCRA), underground storage tank (UST), and oil sites. Brought together by our common interest to protect our health, environment, and livelihoods, EPA and its partners have established an effective structure to manage the nation's hazardous and solid wastes.

To achieve this goal, EPA seeks to further reduce or control the unacceptable risks posed to human health and the environment through better waste management and restoration of abandoned waste sites. In partnership with states, tribal governments, the public, and other stakeholders, EPA will reduce or control the risks to human health and the environment at thousands of Superfund, Brownfields, RCRA, and UST sites. EPA's strategy is to apply the fastest, most effective waste management and cleanup methods available, while involving affected communities in the decision making process. The Agency will

employ enforcement efforts to further assist in reducing risk to humans from hazardous waste exposure.

In FY 2003, EPA will focus on four overarching themes in achieving its objectives:

- **Homeland Security**: Enhancing EPA's emergency preparedness and emergency response programs to ensure the safety and health of the public, and other emergency response personnel. The Agency will then be able to provide appropriate and timely crisis and consequence management related to weapons of mass destruction and releases of hazards substances. EPA will also conduct research on better technologies and assessments to clean up buildings contaminated by biological and chemical agents.

- **Revitalization**: Broad promotion of the successes and lessons learned by the brownfields program and other waste program revitalization efforts, and how revitalization can complement our traditional cleanup programs and lead to faster cleanups and productive reuse of properties.

- **One Cleanup Program**: Creating a national dialogue on the future of Superfund and other waste/cleanup programs. Continue progress in cleanups while increasing consistency and transparency across programs.

- **Recycling, Waste Minimization and Energy Recovery**: Promotion of recycling, waste minimization and energy recovery for both hazardous and non-hazardous wastes.

Homeland Security

In support of Homeland Security, the Agency is requesting $86 million to strengthen the Agency's preparedness, response structure and improve state and local emergency response capabilities, continue operations of the Environmental Response Team Center West (ERTC-West), and research decontamination of buildings resulting from a release of biological agents.

Through the ERTC-West, the Superfund Program will maintain an around-the-clock emergency response activation system to support regions and states in the western part of the country. The ERT provides critical technical support services to EPA's response personnel in the field. These services include: environmental monitoring, decontamination, technical assistance on hazardous and radiation emergencies, and support to FBI-led response teams. The ERT also offers technical training to Federal, State, and local government officials in the latest response technology.

EPA plays a vital role in helping to protect the American people from hazardous substances releases as well as the highly dangerous agents (chemical, biological, radiological) associated with acts of terrorism. Any major terrorism event, whether it involves explosives, conventional hazardous materials or radiological, chemical or biological agents, will necessitate an EPA response to, first, assess the risks to public health, the environment and to response workers, second, to manage

and mitigate the hazards of residual contamination, and, third, to conduct assessments of the adequacy of the response sufficient to allay the concerns of the public who will re-occupy the affected area. Currently, EPA's capability to conduct such responses resides in our Emergency Response program.

The Agency's chemical emergency preparedness and prevention (CEPP) program complements EPA's emergency response efforts. This program addresses the risks associated with the manufacture, transportation, storage and use of hazardous chemicals to prevent and mitigate chemical releases whether an incident may be accidental or intentional, as is the case in releases caused by terrorist acts. To meet its homeland security obligations the CEPP program works with state agencies and Local Emergency Planning Committees (LEPCs) to help strengthen their capabilities to prepare for and respond to potential incidents of terrorism. The LEPC is a community organization that brings together all entities (first responders, fire departments, hospitals, emergency technicians, planners, industry, the media, and local elected officials) that have primary responsibility for emergency preparedness at the local level. The program also works in partnership with the chemical and petrochemical industry to improve site security and the safe operations of facilities throughout the country.

Within the National Response System, EPA supports a national emergency preparedness and response capability. Under the National Response Team (NRT), Regional Response Team (RRT) and Federal Response Plan (FRP) the Federal government helps states and local governments address major incidents that are beyond their capabilities, including those involving terrorism. EPA chairs the NRT and co-chairs the 13 RRTs throughout the U.S. which integrates actions of all Federal partners to prevent, prepare for and respond to hazardous material releases including chemical, biological and radiological substances. The Agency also participates with other Federal agencies to implement national security, continuity of operations and other homeland security requirements.

The FY 2003 President's Budget requests resources to conduct research on better technologies and assessments to cleanup buildings contaminated by biological and chemical agents. These efforts will include the transfer of technologies and guidance on decontamination processes, evaluation of existing and new cleanup and detection technologies, development of risk assessment methodologies, and production of rapid decontamination techniques and technologies.

Revitalization

To address the theme of revitalization, EPA is requesting $200 million to implement the Small Business Liability Relief and Brownfields Revitalization and Environmental Restoration Act (H.R. 2869), signed by President Bush on January 11, 2002. Brownfields are abandoned, idled, or underused industrial and commercial properties and are not traditional Superfund sites. Generally, Brownfields are not highly contaminated and, therefore, present lesser health risks. Economic changes over several decades have left thousands of communities with these contaminated properties and

abandoned sites. This legislation promotes brownfields redevelopment by providing financial assistance for assessment and cleanup, reforming Superfund liability and enhancing state response programs. The legislation was the top environmental priority of the Administration and EPA will be working with Congress, other Federal agencies, states, tribes, local governments, the private sector and non-profit organizations on its implementation. In addition to the activities which have been carried out in the past, the new legislation will expand EPA's ability to address sites contaminated with petroleum and permit EPA to establish grants for brownfields cleanup.

EPA is committed to integrating the concept of revitalization and reuse into the process of cleaning up abandoned, inactive and contaminated waste sites, active and closing Federal facilities, and other properties. An essential element of the assessment and cleanup of contaminated property, whether they are Brownfields, Superfund, RCRA Corrective Action, Base Realignment and Closure, Federal facilities or USTs, is the ultimate goal of revitalizing and reusing that property. Although assessment and cleanup provide clear environmental benefits in mitigating exposure to hazardous contaminants, the ultimate goal is the reuse of these properties to improve the quality of life in America's communities. Building upon the Agency's recent successes in this area, EPA's waste cleanup programs will actively seek out opportunities to leverage public or private investment, create jobs associated with reuse, and increase the overall acreage reused.

One Cleanup Program

In support of the one cleanup program theme, the Superfund program works with States, Tribes, local governments, and other Federal agencies to protect human health and the environment and to restore sites to uses appropriate for nearby communities. Many of the Nation's largest and most technically complex contaminated properties including abandoned, private, and Federal facilities are cleaned up by the Superfund Program. Site assessment is the first step in determining whether a site meets the criteria for placement on the National Priorities List (NPL) or for removal action to prevent, minimize or mitigate significant threats. When a site is placed on the NPL it becomes eligible for a fund-financed cleanup. The Agency also provides outreach and education to the surrounding communities to improve their understanding of potential site risk, such as risks posed by radioactive materials, and to promote direct involvement in every phase of the cleanup process.

One of the Superfund program's major goals is to have responsible parties pay for and conduct cleanups at abandoned or uncontrolled hazardous waste sites. The Superfund enforcement program maximizes Potentially Responsible Party (PRP) participation and is committed to reforms, which increase fairness, reduce transaction costs, and promote economic redevelopment. The Agency also seeks to recover costs associated with a site cleanup from responsible parties when Superfund trust fund monies have been expended.

The RCRA corrective action program addresses a significant number of industrial sites, including Federally-owned

facilities. Administered by EPA and authorized states, these sites include some of the most intractable and controversial cleanup projects in the country. Approximately 3,500 industrial facilities must undergo a cleanup under the RCRA program. Of these facilities, EPA and state partners have identified over 1,700 facilities as high priority because people or the environment are likely to be at significant current or future risk. As evidence of success in meeting this challenge, EPA and the states have now documented that both exposure to contamination and further migration of contaminated groundwater have been controlled at over 600 of the 1700 high priority facilities.

The RCRA corrective action program continues to emphasize redevelopment of RCRA corrective action sites to prevent these properties from becoming Brownfields (unused or underused property due to perceived concerns regarding hazardous waste contamination). Through its nine active pilots, the RCRA Brownfields Prevention Pilot program showcases the implementation of the RCRA corrective action reforms and the use of innovative approaches to cleanup activities. In addition, the RCRA program also sponsors a Targeted Site Effort (TSE) to focus a small amount of funds at specific sites to give assistance in moving forward in the corrective action process.

In partnership with the states, the Agency prevents releases, detects releases early in the event they occur, and addresses leaks from USTs containing petroleum and hazardous substances. The strategy for achieving this goal is to promote and enforce compliance with the regulatory requirements aimed at preventing and detecting UST releases, thereby protecting our nation's groundwater. While the vast majority of the approximately 700,000 active USTs have the proper equipment per Federal regulation, significant work remains to be done to ensure UST owners and operators properly maintain and operate their systems. The Agency's role is to work with states to promote compliance with the spill, overfill, and corrosion protection requirements, and ensure that the leak detection requirements are a national priority. This encompasses compliance for all Federally-regulated UST systems, including those on private and public property, in Indian Country, and Federal facilities. The Agency has primary responsibility for implementing the UST program in Indian Country.

The Leaking Underground Storage Tank (LUST) Program will continue its progress by promoting rapid and effective responses to releases from USTs containing petroleum. EPA plays a key role in implementing the national LUST Program by supporting the management of state, local, and tribal enforcement and response capability, as well as, sharing lessons learned with state regulators and the regulated community to increase cleanup accomplishments. The Agency's highest priorities in the LUST program over the next several years is to address approximately 150,000 cleanups that have yet to be completed, and to address methyl-tertiary-butyl-ether (MTBE) contamination which states are increasingly discovering, and which pose unique and often difficult remediation challenges.

Recycling, Waste Minimization, and Energy Recovery

In support of the recycling, waste minimization and energy recovery theme, the RCRA program will focus on improving current waste management practices, providing greater regulatory flexibility and promoting opportunities for converting waste to future energy and raw material sources. In FY 2003, EPA will undertake a comprehensive review of its waste management programs and regulations regarding hazardous and non-hazardous waste recycling, waste minimization and energy recovery practices. The review objective will be to identify opportunities to further the goal of resource conservation and recovery, while remaining true to the mission of ensuring safe and protective waste management practices.

Other elements of the Better Waste Management goal are associated with the promotion of safe waste management practices, which serve to avoid future cleanup and redevelopment burdens. For facilities that currently manage hazardous wastes, EPA and the authorized states ensure human health and environmental protection through the issuance of RCRA hazardous waste permits. The RCRA program works primarily through state partners to reduce the risks of exposures to dangerous hazardous wastes by maintaining a cradle-to-grave waste management framework. Under this framework, EPA and the states oversee the handling, transport, treatment, storage, and disposal of hazardous waste, ensuring that communities are not exposed to hazards through improper management. Hazardous waste management facilities with appropriate controls in place have made significant progress in minimizing the threat of exposure to hazardous substances. To date, 48 states, Guam, and the District of Columbia are authorized to issue permits. State authorization for all portions of the RCRA program, including regulations that address waste management issues included in permits, is an important Agency goal. The RCRA program strives to achieve greater efficiencies by adapting new innovative technologies that not only streamline permitting processes and better protect our land but also provide greater regulatory flexibility and opportunity for converting waste to future energy and raw material sources.

The Agency's chemical emergency preparedness and prevention program addresses some of the risks associated with the manufacture, transportation, storage and use of hazardous chemicals to prevent and mitigate chemical releases, whether an incident may be accidental or intentional, as is the case in a terrorist event. The program also implements right-to-know initiatives to inform the public about chemical hazards and encourages actions at the local level to reduce risk. Section 112(r) of the Clean Air Act requires an estimated 16,000 facilities to develop comprehensive risk management plans (RMPs) and submit them to EPA, state agencies, and Local Emergency Planning Committees. The Agency believes that states are best suited to implement the RMP program because they benefit directly from its success and they often have established relationships with the communities that may be at risk.

The Oil Spill Program prevents, prepares for, responds to, and monitors oil spills as mandated and authorized in the Clean Water Act and Oil Pollution Act of

1990. EPA protects U.S. waterways through oil spill prevention, preparedness, and enforcement compliance. There are 465,000 non-transportation-related oil storage facilities that EPA regulates. When necessary, the Agency undertakes oil spill response in the inland zone which is then funded through a reimbursable agreement with the U.S. Coast Guard.

Finally, the Agency has established performance objectives specific to Indian Tribes and Alaska Native Villages. These objectives stress waste prevention and cleanup and assistance to Tribes. To meet these objectives, EPA will identify Tribal needs, support and promote the involvement of Tribes in implementation activities, and control risks in Indian Country through assessment and clean up of contaminated sites in consultation and partnership with Tribes.

Research

The FY 2003 waste research program supports the Agency's objective of reducing or controlling potential risks to human health and the environment at contaminated waste sites by accelerating scientifically defensible and cost-effective decisions for cleanup at complex sites, mining sites, marine spills, and Brownfields in accordance with CERCLA. Research will: 1) provide improved methods and dose-response models for estimating risks from complex mixtures contaminating soils and groundwater; 2) provide improved methods for measuring, monitoring, and characterizing complex waste sites in terms of soils and groundwater; 3) develop more reliable technologies for cleanup of contaminated soils, groundwater, and sediments; and 4) determine the effects of contaminants on the environment. A new effort in Homeland Security will also begin in 2003 and focus on critical issues, such as the decontamination of buildings, in order to prevent and respond to future instances of bioterrorism.

Waste identification, waste management, and combustion constitute the three major areas of research under RCRA in FY 2003, as the Agency works towards preventing releases through proper facility management. Waste identification research will focus on multimedia, multi-pathway exposure modeling and environmental fate and transport; physical estimation in support of risk-based exemption levels for wastes; development of targeted exemptions of waste streams that do not pose unacceptable risks; and efforts to streamline the waste de-listing process. These efforts could significantly reduce compliance costs while still supporting EPA's mission to protect human health and the environment. Waste management research will focus on developing more cost-effective ways to manage/recycle non-hazardous wastes and will examine other remediation technologies, while combustion research will continue to focus on characterizing and controlling emissions from waste combustion.

Highlights

In FY 2003, EPA and state cleanup actions will protect human health by reducing the effects of uncontrolled releases on local populations and sensitive environments. The Agency will build on past successes in cleaning up sites. The following accomplishments provide examples of what has been done by the Agency to achieve its goal:

Goal 5: Better Waste Management, Restoration of Contaminated Waste Sites, and Emergency Response

- Cleaned up 804 Superfund National Priorities List Sites through September 30, 2001;
- Conducted over 6,500 Superfund removal response actions from 1982 through September 30, 2001;
- Assessed over 43,700 potential Superfund sites;
- Removed more than 32,700 sites from the Comprehensive Environmental Response, Com-pensation and Liability Information System (CERCLIS) waste site list;
- Secured greater than $20 billion in PRP commitments, through response and cost recovery settlements, over the life of the Superfund program.
- Resolved potential liability of 24,700 small volume waste contributing parties through more than 475 *deminimis* settlements;
- Responded to or monitored 300 oil spills in a typical year;
- Awarded 399 Brownfields assessment pilots, over 129 brownfields cleanup revolving loan fund pilots, and 48 job training pilots through September 1, 2001;
- Over 600 of approximately 1,700 high priority RCRA sites targeted for aggressive risk reduction have met GPRA Environmental Indicator goals;
- 74% of approximately 2,750 hazardous waste management facilities have effective controls in place;
- Launched a RCRA Brownfields Prevention Pilot program with nine active pilots;
- Cleaned approximately 259,000 leaking underground storage tanks since 1987.

In FY 2003, EPA's goal is to complete construction at 40 private and Federal Superfund sites and take action to address contamination at 275 sites using removal authorities. In addition, EPA and its partners will make final site assessment decisions on 475 additional sites. The Superfund enforcement program's goal will be to obtain PRP commitments to initiate work at 70% of construction starts at non-Federal facility sites on the NPL and to conduct or fund removals.

In FY 2003, the Superfund redevelopment initiative will facilitate the return of additional Superfund sites to productive reuse. The Agency has compiled a list of over 260 Superfund sites that have been recycled. At these sites, more than 60,000 acres are now in ecological or recreational use. Approximately 15,500 jobs, representing approximately $500 million in annual income, are located at sites that have been recycled for commercial use.

In FY 2003, the Agency will improve its Homeland Security preparedness and response capability, workforce safety, and coordination with our Federal and local partners. This will support national efforts to combat terrorist threats including biological, chemical and radiological attacks on populations in the United States. The Agency will implement an initiative to establish a viable Homeland Security program at EPA that will reduce the risk to the public, better protect our emergency responders, and prevent environmental harm. This initiative will support the National Homeland Security strategy developed by the Office of Homeland Security and the White House that assigns EPA a critical role in preparing for and

responding to terrorist incidents. This responsibility is based upon EPA's unique expertise and experience in emergency preparedness and response to hazardous material releases.

The Agency's Homeland Security efforts will concentrate on: (1) developing a multi-skilled workforce and providing them with advanced training; (2) implementing an EPA-wide event planning/response program that can fully participate in national inter-agency exercises; (3) providing state-of-the-art response equipment (e.g., personal protection, field analysis, decontamination) and the resources to maintain the equipment; and (4) enhancing planning, coordination, and outreach efforts at the local, state, and Federal levels.

Reducing chemical accidents is vital to ensure that communities are not exposed to hazardous materials. The Agency will continue its efforts to help states and local emergency planning committees implement the risk management plan (RMP) program. EPA continues to make steady progress in this area and, in FY 2003, will delegate the program to eight additional states for a cumulative total of twenty-five. To reach this goal, EPA will provide technical assistance grants, technical support, outreach, and training to state and local emergency planning committees. Through these activities, states, local communities, and individuals will be better prepared to prevent and prepare for chemical accidents.

Through the Federal Oil Spill Program, EPA will continue to prevent, respond to, and monitor oil spills that occur in the waters of the United States and adjoining shorelines. Over 24,000 spills are reported annually while approximately half are in the inland zone which is under EPA's jurisdiction. EPA typically responds to and monitors the work of responsible parties at approximately 300 significant spills a year. To reduce the risk of hazardous exposure to people and the environment, the Agency aims to prevent oil spills from occurring, prepare for oil spills that do occur, and respond to and monitor spills when necessary.

The EPA Brownfields program coordinates a Federal, state, tribal, and local government approach to assist in addressing environmental site assessment and cleanup. This program has experienced tremendous growth in applications for new and supplemental pilots, averaging 198 applications per year. The passage of Brownfields authorizing legislation in December 2001 allows an expanded program to address environmental and economic challenges presented at brownfields sites including:

- Grants to address petroleum contaminated sites
- Grants for clean up activities
- Expanded resources for state and tribal programs
- Tribal program funds for monitoring public health
- Responding to mine scarred lands, contaminative, and controlled substances

In FY 2003, EPA will double our Brownfield's program, providing $100 million more in funding. The Brownfields program will provide $29 million in funding and technical support for 74 new assessments and 52 existing assessments. These assessments provide states (including U.S. territories), political subdivisions

(including cities, towns, and counties), and Federally recognized Tribes with necessary tools, information, and strategies for promoting a unified approach to environmental site assessment, characterization, and redevelopment. Benefits derived from this effort will include leveraging a total of $5 billion in cleanup and redevelopment funds, generation of 21,300 jobs, and assessment of 3,350 sites through FY 2003. In addition, the Agency and its Federal partners will continue to support the existing 28 showcase communities which serve as models to demonstrate the benefits of interagency cooperative efforts in addressing environmental and economic issues related to brownfields. The showcase communities capitalize on a multi-agency partnership designed to provide a wide range of support depending on the particular needs of each community.

As part of this initiative, EPA will use approximately $30 million to address the regulatory gap that prohibits EPA funds from addressing the estimated 200,000 abandoned underground storage tanks (USTs) and other petroleum contamination found on brownfields properties. With these funds, EPA will support assessment and cleanup of petroleum contaminates in 50 brownfields communities.

To further enhance a community's capacity to respond to brownfields redevelopment, the Agency will also provide funding for 33 communities to capitalize brownfields cleanup revolving loan funds (BCRLF) with the requested increase. All communities with brownfields properties are eligible to apply. For the first time, Brownfields legislation authorizes funding for cleanup grants. It is estimated that cleanup funding might be available for up to 25 sites.

The Agency will also provide $50 million for states and Indian tribes to establish or enhance their response programs. The new legislation will also permit the recipients to capitalize revolving loan funds, purchase insurance or develop a risk sharing pool, an indemnity pool, or an insurance mechanism to provide financing for response actions under a state response program.

To augment the communities' capacities to clean up brownfields sites, EPA will fund 10 additional job training pilots for community residents and will provide $3 million to the National Institute of Environmental Health Sciences (NIEHS) to supplement its minority worker training programs that focus on brownfields workforce development activities. In addition, EPA will continue to explore connections between RCRA low-priority corrective action efforts and cleanup of brownfields properties.

In FY 2003, 257 additional high priority RCRA facilities will have current human exposures under control and 172 additional high priority RCRA facilities will have migration of contaminated groundwater under control. To accomplish its RCRA objectives, the Agency has improved the pace of cleanups through administrative reforms announced in 1999 and 2001. The reforms successfully established an environment for program implementers to be innovative and results-oriented by promoting faster, focused, more flexible cleanups. The Agency developed these reforms with input from states, industry and environmental organizations to

accomplish the following objectives: pilot innovative approaches, accelerate the changing culture, connect communities to cleanups, and capitalize on redevelopment potential.

In FY 2003, the RCRA hazardous waste permits program will have permits or other approved controls in place for 77% of the hazardous waste management facilities (out of a baseline of approximately 2,750 facilities). Securing approved controls in place at facilities minimizes the threat of exposure to hazardous substances because the RCRA program's comprehensive framework regulates the handling, transport, treatment, storage, and disposal of hazardous waste. In addition, the program is planning an e-permitting initiative which would complement the new standardized permit process. This initiative will expedite and simplify the permitting process and provide better public access to permitting information.

The Agency has several efforts underway to improve waste management practices throughout the RCRA program to better reflect actual levels of risk. The hazardous waste identification rule and follow-up efforts seek to exclude lower risk wastes from hazardous waste regulation. In FY 2003, the Agency will continue to develop exemptions for specific low-concern wastes as well as concentration-based exemption levels for constituents occurring in hazardous wastes.

As the maximum achievable control technology (MACT) standards for hazardous waste incinerators and kilns are implemented, emissions of dioxins, furans, toxic metals, acid gases and particulate matter from these sources will be reduced. These efforts are intended to further reduce the indirect exposure to hazardous constituents in emissions, especially to children. In 2000, the Agency initiated work on Phase II MACT standards for hazardous waste burning boilers and halogen acid furnaces. However, in 2001 the D.C. Circuit Court of Appeals vacated the Phase I MACT standards. In 2002 and FY 2003, EPA will work to revise the combustion standards and address the court's action.

In FY 2003, the Agency will work with states, industry, and community representatives to begin implementation of the voluntary guidelines for industrial non-hazardous waste management. These voluntary guidelines address a range of issues including groundwater contamination, air emissions, and alternatives to waste disposal.

Based on EPA's minimum national standards for municipal solid waste (MSW), states regulate landfill practices. The Agency worked with states to review the national standards. The Agency is currently initiating regulatory revisions to provide additional flexibility so that compliance is less costly and easier to achieve. Regulatory revisions will provide an opportunity for bioreactor technology, to pave the way for future new energy and raw material sources.

The Agency will accelerate the pace of LUST cleanups through additional support to the states to hire staff to oversee and expedite cleanups. Better oversight and quicker action can reduce the costs of cleaning up MTBE contamination, which can cost 100% more than a cleanup involving the typical gasoline contaminants. Accelerating the pace of these cleanups will result in 500 additional cleanups completed,

from the end of FY 2002, that may involve groundwater and MTBE contamination. In turn, fewer communities and individuals, including those in Indian Country, will lose their drinking water supplies. UST owners and operators undertake nearly all cleanups under the supervision of state or local agencies. The Agency oversees these activities in Indian Country.

Research

In FY 2003, contaminated sites research will be conducted to: 1) reduce uncertainties associated with soil/ groundwater sampling and analysis; 2) reduce the time and cost associated with site characterization and site remediation activities; 3) evaluate the magnitude of the risks posed by contaminants to human health and the ecosystem as well as the contributions of multiple exposure pathways, the bioavailability of adsorbed contaminants and treatment residuals, and the toxicological properties of contaminant mixtures; and 4) develop and demonstrate more effective and less costly remediation technologies involving complex sites and hard-to-treat wastes. Other proposed work will enhance and accelerate current contaminated sediments research efforts, providing the data needed to make and support crucial decisions on high impact and high visibility sites. Research focusing on Homeland Security issues such as transfer of technologies and guidance on decontamination processes, evaluating existing and new cleanup and detection technologies, developing risk assessment methodologies for the both the short and long term, and producing rapid decontamination techniques and technologies for cleanup of contaminated buildings will begin in FY 2003. These research efforts are critical in order to prevent and respond to future instances of bioterrorism.

Waste management research in FY 2003 will support the Hazardous Waste Identification Rule (HWIR), a risk-based approach for delisting wastes, as well as study improved ways to minimize waste releases and impacts. Additionally, waste management research will be conducted to improve the management of both solid and hazardous wastes.

2003 Annual Performance Goals

- In 2003, EPA and its partners will complete 22,500 Leaking Underground Storage Tank (LUST) cleanups for a cumulative total of approximately 313,300 cleanups since 1987.

- In 2003, EPA and its partners will complete 40 Superfund cleanups (construction completions).

- In 2003, ensure trust fund stewardship by getting PRPs to initiate or fund the work and recover costs from PRPs when EPA expends trust fund monies. Address cost recovery at all NPL and non-NPL sites with a statute of limitations (SOL) on total past costs equal to or greater than $200,000.

- In 2003, maximize all aspects of PRP participation which includes maintaining PRP work at 70% of the new remedial construction starts at non-Federal Facility Superfund, and emphasize fairness in the settlement process.

Goal 5: Better Waste Management, Restoration of Contaminated Waste Sites, and Emergency Response

- In 2003, 257 (for a cumulative total of 1,252 or 73%) of high priority RCRA facilities will have human exposures controlled and 172 (for a cumulative total of 1,054 or 61%) of high priority RCRA facilities will have groundwater releases controlled.

- In 2003, to ensure cost-effective and technically sound site clean-up, deliver state-of-the are guidance and methods to EPA and stakeholders for risk management of fuel oxygenates; organic and inorganic contamination of sediments, ground water and/or soils; and oil spills.

- In 2003, EPA will provide additional site assessment funding to 74 new sites, and to 52 existing sites, resulting in a cumulative total of 3,350 properties assessed, the generation of 21,300 jobs, and the leveraging of $5.0 billion in cleanup and redevelopment funds since 1995.

- In 2003, EPA and its state and tribal partners will ensure that 80% of UST facilities will be in significant operational compliance with leak detection requirements, and 85% of UST facilities will be in significant operational compliance with spill, overfill and corrosion protection regulations.

- In 2003, 77.2 of the hazardous waste management facilities will have approved controls in place to prevent dangerous releases to air, soil, and groundwater. This represents an additional 39 facilities meeting the goal this year.

- In 2003, certify that 8,000 55 gallon drums of radioactive waste (containing approximately 24,000 curies) shipped by DOE to the Waste Isolation Pilot Plant are permanently disposed of safely and according to EPA standards.

Goal 5: Better Waste Management, Restoration of Contaminated Waste Sites, and Emergency Response

Goal 5: Waste Management Key Programs

(dollars in thousands)

	FY 2002 Enacted	FY 2003 President's Request
Assessments	$76,472.9	$76,236.3
Brownfields	$97,632.7	$199,769.0
Capacity Building	$725.1	$652.6
Civil Enforcement	$2,124.2	$2,120.7
Community Right to Know (Title III)	$4,968.4	$4,953.1
Compliance Assistance and Centers	$934.8	$961.2
Congressionally Mandated Projects	$10,915.0	$0.0
Facilities Infrastructure and Operations	$60,032.3	$55,998.4
Federal Facilities	$31,206.5	$31,915.5
Federal Facility IAGs	$8,784.7	$9,091.7
Federal Preparedness	$9,849.3	$9,883.0
Hazardous Substance Research:Hazardous Substance Research Centers	$4,576.8	$4,599.2
Hazardous Substance Research:Superfund Innovative Technology Evaluation (SITE)	$6,501.0	$6,545.0
Hazardous Waste Research	$9,088.3	$9,548.7
Homeland Security*	$3,192.4	$86,310.4
Homestake Mine	$0.0	$8,000.0
Leaking Underground Storage Tanks (LUST)Cooperative Agreements	$59,331.9	$58,341.2
Legal Services	$7,061.8	$7,710.7
LUST Cleanup Programs	$10,067.4	$10,285.4
Management Services and Stewardship	$30,133.6	$31,625.1
Oil Spills Preparedness, Prevention and Response	$11,795.4	$12,332.2
Other Federal Agency Superfund Support	$10,676.0	$10,676.0
Radiation	$21,624.0	$22,419.1
RCRA Corrective Action	$38,262.3	$38,965.2
RCRA Improved Waste Management	$61,174.6	$61,860.0
RCRA State Grants	$59,451.3	$59,451.3
Regional Management	$1,644.8	$1,628.9
Research to Support Contaminated Sites	$29,896.9	$28,121.1
Risk Management Plans	$7,202.9	$7,446.0

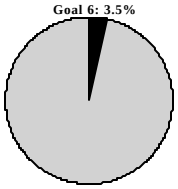
Goal 5: Better Waste Management, Restoration of Contaminated Waste Sites, and Emergency Response

Superfund - Cost Recovery	$29,477.5	$30,375.9
Superfund - Justice Support	$28,150.0	$28,150.0
Superfund - Maximize PRP Involvement (including reforms)	$81,701.1	$84,396.9
Superfund Remedial Actions	$484,659.8	$489,355.0
Superfund Removal Actions	$202,654.0	$202,610.3
Underground Storage Tanks (UST)	$6,795.7	$7,026.4
UST State Grants	$11,918.4	$11,918.4

**FY 2002 does not include $175.6 million provided in the Emergency Supplemental Appropriations Act for Homeland Security.*

Goal 6:
Reduction of Global and Cross-Border Environmental Risks

Goal 6: Reduction of Global and Cross-Border Environmental Risks



Strategic Goal: The United States will lead other Nations in successful, multilateral efforts to reduce significant risks to human health and ecosystems from climate change, stratospheric ozone depletion, and other hazards of international concern.

Resource Summary
(dollars in thousands)

	FY 2002 Enacted	FY 2003 Request	FY 2003 vs. FY 2002
Reduction of Global and Cross-border Environmental Risks	**$276,588.0**	**$269,727.2**	**($6,860.8)**
Reduce Transboundary Threats to Human and Ecosystem Health in North America	$96,869.4	$98,185.9	$1,316.5
Reduce Greenhouse Gas Emissions	$145,293.6	$136,953.4	($8,340.2)
Reduce Stratospheric Ozone Depletion	$15,843.2	$15,813.3	($29.9)
Protect Human Health and Ecosystems from PBTs and other Toxics	$6,060.9	$6,173.6	$112.7
Increase Domestic and International Use of Cleaner and More Cost-Effective Technologies	$12,520.9	$12,601.0	$80.1
Workyears	517.7	504.7	(13.0)

Means and Strategy

To reduce environmental and human health risks along the U.S./Mexico Border and the Great Lakes, EPA employs both voluntary and regulatory measures. Efforts in the U.S./Mexico Border area utilize a series of workgroups that focus on priority issues ranging from water infrastructure and hazardous waste to outreach efforts focusing on communities and businesses in the border area. The programs were initially conceived in a Federal-to-Federal context. While this may have been appropriate at the start, it is clear that today in both countries, non-Federal governments are the appropriate entities for developing and carrying out much of the work of protecting the border environment. The experience of the last six years has shown U.S. border states as key participants in workgroup activities with similar experience on the Mexico side. In

the past year all border states have stressed the need for greater decentralization of environmental authority, and in FY 1999, States and the Federal government agreed to a set of principles that clarify the roles of the governments and advance State and Tribal participation. Under a new environmental plan developed with SEMARNAP (EPA=s Mexican counterpart), targeted for completion by December 2002, the States and Tribes will play a more substantial and meaningful role in:

- Determining how Federal border programs are developed and funded;
- Focusing on developing regional workgroups that empower border citizens; and
- Ensuring that programs devolve from Mexico=s Federal government to the Mexican states, with corresponding funding.

The 2001 Great Lakes Strategy, developed by EPA=s Great Lakes National Program Office (GLNPO) and Federal, state, and Tribal agencies in consultation with the public, advances U.S. Great Lakes Water Quality Agreement implementation. Its long-range vision (a healthy natural environment where all beaches are open for swimming, all fish are safe to eat, and the Lakes are protected as a safe source of drinking water) is supported by Lakewide Management Plans and Remedial Action Plans for Areas of Concern. Progress is measured through the Integrated Atmospheric Deposition Network and GLNPO's open water, fish, and sediments monitoring. To prevent degradation of the marine environment, the Agency, in conjunction with the Department of State, the National Oceanic and Atmospheric Administration (NOAA), and other Federal agencies, is focusing on the negotiation and implementation of legally-binding multi-lateral agreements. These agreements are designed to address sources of marine pollution that impact the United States.

EPA will meet its climate change objectives by both working with business and other sectors to deliver multiple benefits **B** from cleaner air to lower energy bills **B** while continuing to improving overall scientific understanding of climate change and its potential consequences. The core of EPA=s climate change efforts are government/industry partnership programs designed to capitalize on the tremendous opportunities available to consumers, businesses, and organizations to make sound investments in efficient equipment and practices. These voluntary programs remove barriers in the marketplace, resulting in faster deployment of energy efficient technology into the residential, commercial, transportation, and industrial sectors of the economy. Through the Clean Automotive Technology initiative, EPA will work with industry to develop and commercialize fuel-efficient hydraulic hybrid and advanced engine technologies that will utilize EPA developed technologies.

EPA is also engaged in working with key developing countries and economies–in-transition to provide capacity building and technology transfer in areas of air quality, transportation, clean energy use and energy efficiency, and cleaner production. Working hand-in-hand with international partners, these joint activities support more sustainable practices and lead to greenhouse gas emissions reductions as well as build local technical capacity for developing countries to take on commitments to reduce greenhouse gas emissions under the 1992 Climate Convention. EPA's activities provide information sharing and training and

contribute to the fulfillment of U.S. commitments under the Climate Convention to facilitate technology transfer to developing countries.

In order to restore and protect the earth=s stratospheric ozone layer, EPA will work on both domestic and international fronts to limit the production and use of ozone-depleting substances and to develop safe alternative compounds. EPA will also provide education about the risk of environmental and health consequences of overexposure to ultraviolet (UV) radiation.

To address the risks associated with persistent and bioaccumulative substances and other toxics, the Agency employs two fundamental approaches. The first approach seeks to minimize the harmful impacts of toxic substances known to circulate in the environment over long distances through the negotiation and implementation of specific treaties. The second approach focuses on the cooperative efforts of the Organization for Economic Cooperation and Development (OECD) and other international organizations working to develop harmonized methods for testing and assessing the toxicity of chemicals, and for measuring the effects of chemicals to humans and the environment.

In addition to the specific strategies noted above, the Agency employs a variety of means to achieve the environmental objectives outlined in this goal. These include:

- Implementing formal bilateral and multilateral environmental agreements with key countries, executing environmental components of key foreign policy initiatives, and, in partnership with the Department of State, engaging in regional and global negotiations aimed at reducing risks via formal and informal agreements.

- Working with other countries to ensure that domestic and international environmental laws, policies, and priorities are recognized and implemented.

- Partnering with other Federal agencies, states, business, and environmental groups to promote the flow of environmentally sustainable technologies and services worldwide.

Research

EPA=s Global Change Research Program contributes to the Agency=s goal of reducing greenhouse gas emissions by providing the knowledge to allow policy makers to find the most appropriate, science-based solutions to reduce risks to human health and ecosystems posed by climate change (e.g., the impacts climate change could have on the spread of vector-borne and water-borne disease, as well as on air and water quality). The Agency is working to assess the vulnerability of human health and ecosystems to various environmental stressors (e.g., climate change, land-use change, UV radiation) at the regional scale, and to assess adaptation strategies.

Highlights

In FY 2003, EPA will use a variety of approaches to build international cooperation and technical capacity and to prevent harm to the global environment and ecosystems we share with other nations.

The Agency will host representatives of foreign governments, industry, and Non-governmental Organizations (NGOs) at the Agency=s Headquarters, Regions, and labs. The Agency will also disseminate thousands of technical publications and CD-ROMs to developing countries and provide access to additional information through technical training courses, the Agency website, the Spanish Language Resources site, and other services.

EPA will work directly with other countries and through multilateral organizations to share innovative practices for environmental management and to disseminate environmental information. These programs build the capacity of developing countries to improve the quality of life for their citizens, while also providing reciprocal benefits to U.S. citizens. These benefits include: the introduction of new techniques for managing urban environments, reduced environmental damage to the global commons, reduced costs and effort through data sharing, an increased demand for U.S. environmental technologies and services, and the implementation of more transparent enforcement and permitting regimes.

U.S./Mexico Border

To reduce environmental and human health risks along the U.S./Mexico Border, EPA will continue its work with the border States and Mexico to target the quality of air, drinking water and wastewater treatment and hazardous waste management and disposal. Nine working groups will address key issues while working closely with state and local agencies on both sides of the border. EPA will also continue to support the financing and construction of water, wastewater treatment and solid waste facilities.

Following on the agreement of Presidents Bush and Fox to serve urgent environmental priorities in the border, EPA and SEMARNAP (EPA=s Mexican counterpart) will Awork closely with our state and Tribal partners to develop B by December 31, 2002 B a new and results-oriented plan for the U.S.-Mexico border.@ The environmental plan will build on the foundation of the La Paz Agreement and draw on experiences of previous border programs. As a step toward development of this plan, the 10 border states have proposed, and EPA concurs with, the following mission statement: ATo protect public health and the environment through conservation, pollution prevention, and pollution abatement in the U.S.-Mexico border region, consistent with the principles of sustainable development.@

Great Lakes

EPA, through the Great Lakes National Program Office, will coordinate among state, Tribal, and Federal agencies to implement the Great Lakes Strategy and measure progress against quantitative environmental objectives in areas such as clean-up of Areas of Concern, reduction of fish contaminants, beach closures, sediment remediation, wetland restoration, and invasive species. In FY 2003, if long-term trends continue, EPA will report a 5% decline in toxics (PCBs) in lake trout and a 7% reduction in air toxic concentrations. EPA and its partners will remediate over 100,000 cubic yards of contaminated sediments. EPA will also explore why Lake Erie dissolved-oxygen levels are inexplicably low despite U.S. and Canadian success in achieving phosphorus targets.

Proposed longer-term objectives in the draft Great Lakes Strategy include:

- By 2005, clean-up and de-list 3 Areas of Concern, with a cumulative total of 10 by 2010 out of 43 that have been identified.
- By 2007, reduce concentrations of PCBs in lake trout and walleye by 25%.
- By 2010, 90% of monitored Great Lakes beaches will be open 95% of the swimming season. (Current data for calendar year 2000 indicates that there are 234 monitored beaches in the Great Lakes, and about 75% of them are open more than 95% of the season.)
- By 2010, vessels entering the Great Lakes will discharge ballast water free of invasive species.
- By 2010, restore or enhance 100,000 acres of wetlands in the Basin.
- Accelerate the pace of sediment remediation, leading to the clean-up of all sites by 2025.

Climate Change

EPA=s voluntary climate change programs have made significant progress to date. However, there remain large opportunities to achieve further pollution reductions and energy bill savings from energy efficiency programs and greater use of cost-effective renewable energy. In the U.S., energy consumption causes more than 85 percent of the major air emissions such as NO_x, SO_2, and CO_2. At the same time, American families and businesses spend over $600 billion each year on energy bills B more than we spend on education. Technologies are available today that can cut this energy use significantly. Other technologies are being developed that may provide even more dramatic opportunities B such as transferring the highly efficient hybrid powertrain components, originally developed for passenger car applications, to meet the more demanding size, performance, durability, and towing requirements of Sport Utility Vehicles (SUVs) and urban delivery vehicle applications, resulting in increased fuel economy. In particular, EPA=s Clean Automotive Technology (CAT) initiative will provide the following benefits:

- Allow EPA to develop unique engine and hybrid technology for SUVs and urban delivery vehicles, resulting in increased SUV fuel efficiency of 30% (from 20.2 mpg) by 2006 and up to 100% by 2010.
- With the successful development and adoption of this cost effective and practicable technology (facilitated by complementary policies), EPA estimates that the eventual market penetration for this technology to be up to 40-50% in 2020.
- This would result in a potential for annual fuel savings of up to 8 billion gallons (4% savings from business-as-usual) or the equivalent of 25 MMTCE reduced in 2020 (from light trucks including SUVs).

EPA will continue to build upon its voluntary government/industry partnership efforts to achieve even greater greenhouse gas reductions by taking advantage of additional opportunities to simultaneously reduce pollution and energy bills. EPA=s climate programs break down market barriers and foster energy efficiency programs, products and technologies, cost effective renewable energy, and greater transportation choices. A key example is within the Buildings Sector which represents

one of EPA=s largest areas of potential, and at the same time is one of its most successful. EPA will continue to build upon the successful ENERGY STAR partnerships (including ENERGY STAR Labeling and the ENERGY STAR Buildings Program) and work toward the goal of offsetting about 24% of the growth in greenhouse gas emissions above 1990 levels expected by 2010 in this sector. EPA=s programs will contribute about 43 MMTCE annually in greenhouse gas reductions by 2010 while saving businesses and consumers more than $14 billion. In addition, EPA will continue work in the Industry and Transportation Sectors as well as fostering efforts in carbon sequestration.

EPA will continue to work closely with state and local partners to assess the air quality, health, and economic benefits of reducing greenhouse gas emissions and developing practical risk reduction strategies. And, it will establish international partnerships that will link industrial efficiency, reduction of greenhouse gases, and sustainable development.

Stratospheric Ozone

To protect the earth=s stratospheric ozone layer in accordance with the United States= commitment to the Montreal Protocol, EPA will continue to regulate ozone-depleting compounds, foster the development and use of alternative chemicals in the U.S. and abroad, inform the public about the dangers of overexposure to UV radiation, and use pollution prevention strategies to require the recycling of ozone-depleting substances (ODSs) and hydroflourocarbons.

Toxics and Pollutants

Reduced risks from toxics, especially persistent organic pollutants (POPs) and selected metals that circulate in the environment at global and regional scales, will be achieved by working with other countries — within the frameworks established by international instruments B to control the production or phase-out from the use of targeted chemicals. EPA is also working to reach agreement on import and export requirements applicable to certain chemicals, an expansion of pollutant release and transfer registers and the harmonization of chemical testing, assessment and labeling procedures. The goal of international harmonization of test guidelines is to reduce the burden on chemical companies of repeated testing in satisfying the regulatory requirements of different jurisdictions both within the United States and internationally. Harmonization also expands the universe of toxic chemicals for which needed testing information is available, and fosters efficiency in international information exchange and mutual international acceptance of chemical test data. EPA will continue to cooperate closely with other Federal agencies and with other industrialized nations within the program framework of the Organization for Economic Cooperation and Development (OECD) in harmonizing testing guidelines.

The U.S. is working with other OECD member countries to implement the International Screening Information Data Set (SIDS) program, a voluntary international cooperative testing program begun in 1990. The program focuses on developing base-level test information (including data on basic chemistry, environmental fate, environmental effects and health effects) for international high

production volume chemicals. SIDS data will be used to screen chemicals and to set priorities for further testing and/or assessment. The Agency will review testing needs for 75 SIDS chemicals in FY 2003.

POPs Implementation

The United States recently signed the Stockholm Convention on persistent organic pollutants (POPs) which addresses substances such as DDT, PCBs and dioxins. These substances travel great distances in the environment and thus threaten humans and the ecosystem in the U.S., despite domestic efforts to reduce releases. The problem is especially acute in Alaska and the Great Lakes, where POPs are taken up in the food chain and impact Native Americans who depend on subsistence foods. This convention will require ratifying countries to reduce and/or eliminate their production, use, and/or release of specified POPs. To ensure that developing countries comply with obligations under this convention, the U.S. is working with the Global Environment Facility (a joint funding program run by the World Bank, the United Nations Environment Program, and the United Nations Development Program) to carry out capacity-building programs in developing countries.

In FY 2003, EPA will target new and existing resources to: (1) provide technical and financial assistance to key countries/regions, with an emphasis on those whose releases most directly affect the U.S. (e.g., Russia, Central America, and the Caribbean); (2) address key priorities/areas of need for each country as well as gaps in technical and financial assistance; (3) maximize use of existing bilateral and regional partnerships, such as the North American Commission on Environmental Cooperation (NACEC) and the Arctic Council, to achieve efficiencies and leverage funding; and (4) support international cooperative efforts, such as monitoring and assessment, to identify trends and establish priorities.

Research

EPA will assess the potential consequences of global change **B** including climate variability and change, land use changes, and UV radiation **B** on air quality, water quality, ecosystem health, and public health. EPA will also assess potential adaptation strategies for building resilience to global change, while responding to both risks and opportunities. The program will continue to focus on providing scientific information to support decision making by policy makers, resource managers, and other stakeholders. In FY 2003, EPA=s Global Change Research Program will place particular emphasis on continuing its support for the assessment of the consequences of global change within regions and sectors, the ongoing U.S. National Assessment activities, and other related U.S. Global Change Research Program (USGCRP) assessment activities. The Program will emphasize assessing the potential effects of climate change on weather-related morbidity and will continue to support the maintenance of the UV monitoring network and data collection using the network. Additional areas of focus in FY 2003 will be continuing the assessment of potential consequences of global change for air quality (which will inform air quality managers and other decision makers about how climate change might affect regional concentrations of criteria air pollutants), water quality (which will inform managers of public water systems of how climate change might affect

water quality in states and localities), and aquatic ecosystem health.

2003 Annual Performance Goals

- In 2003, increase the number of residents in the Mexico border area who are protected from health risks, beach pollution and damaged ecosystems from nonexistent and failing water and wastewater treatment infrastructure by providing improved water and wastewater service.

- In 2003, Great Lakes ecosystem components will improve, including progress on fish contaminants, beach toxics, air toxics, and trophic status.

- In 2003, greenhouse gas emissions will be reduced from projected levels by approximately 73.5 MMTCE per year through EPA partnerships with businesses, schools, state and local governments, and other organizations thereby offsetting growth in greenhouse gas emissions above 1990 level by about 20%.

- In 2003, reduce energy consumption from projected levels by more than 95 billion kilowatt hours, contributing to over $11 billion in energy savings to consumers and businesses.

- In 2003, restrict domestic consumption of class II HCFCs below 9,960 ODP-weighted metric tonnes (ODP MTs) and restrict domestic exempted production and import of newly produced class I CFCs and halons below 10,000 ODP MTs.

- In 2003, reduce environmental exposure to US and selected Countries of concern from Persistent Organic Pollutants (POPs) through the implementation of the Stockholm Convention on POPs.

- In 2003, enhance environmental management and institutional capabilities in priority countries.

Goal 6: Reduction of Global and Cross-Border Environmental Risks

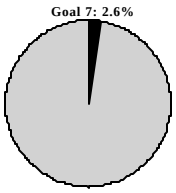
Goal 6: Reduction of Environmental Risks Key Programs

(dollars in thousands)

	FY 2002 Enacted	FY 2003 President's Request
Climate Change Research	$21,350.5	$21,729.3
Climate Protection Program: Buildings	$48,571.3	$49,820.5
Climate Protection Program: Carbon Removal	$1,549.7	$1,576.3
Climate Protection Program: Industry	$25,368.6	$25,673.1
Climate Protection Program: International Capacity Building	$6,982.8	$7,086.5
Climate Protection Program: State and Local Climate Change Program	$2,245.6	$2,275.2
Climate Protection Program: Transportation	$30,830.7	$21,567.2
Commission for Environmental Cooperation – CEC	$3,396.4	$3,535.3
Congressionally Mandated Projects	$750.0	$0.0
Environment and Trade	$1,672.6	$1,844.3
Facilities Infrastructure and Operations	$7,343.5	$6,875.2
Global Toxics	$1,522.8	$1,415.1
Global Trade Issues for Pesticides and Chemicals	$3,091.2	$3,125.4
Great Lakes	$537.6	$0.0
Great Lakes National Program Office	$14,929.7	$15,128.2
Legal Services	$1,905.9	$2,049.1
Management Services and Stewardship	$3,370.0	$3,386.7
Multilateral Fund	$9,575.8	$9,575.8
POPs Implementation	$0.0	$680.3
Regional and Global Environmental Policy Development	$2,362.7	$2,046.8
Stratospheric Ozone Protection	$5,602.7	$5,642.2
Technical Cooperation with Industrial and Developing Countries	$4,478.4	$4,330.1
U.S. - Mexico Border	$4,149.5	$5,364.6
Water Infrastructure: Mexico Border	$75,000.0	$75,000.0

Goal 7:
Quality Environmental Information

Goal 7: Quality Environmental Information



Strategic Goal: The public and decision makers at all levels will have access to information about environmental conditions and human health to inform decision making and help assess the general environmental health of communities. The public will also have access to educational services and information services and tools that provide for the reliable and secure exchange of quality environmental information.

Resource Summary
(dollars in thousands)

	FY 2002 Enacted	FY 2003 Request	FY 2003 vs. FY 2002
Quality Environmental Information	**$197,067.8**	**$199,124.0**	**$2,056.2**
Increase Availability of Quality Health and Environmental Information	$121,920.2	$120,414.7	($1,505.5)
Provide Access to Tools for Using Environmental Information	$53,261.9	$48,181.3	($5,080.6)
Improve Agency Information Infrastructure and Security	$21,885.7	$30,528.0	$8,642.3
Workyears	840.1	847.1	7.0

Means and Strategy

The purpose of this goal is to provide government decision makers and the American public with information about the environment. Environmental information can better enable the public to understand conditions and make informed decisions about protecting the health and the environment of local communities. It can lead to creative and sustainable solutions to environmental problems and opportunities for pollution prevention. Environmental information of known and documented quality is crucial to sound decision making and to establishing public trust and confidence in those decisions. EPA and its partners will focus on eight activities to accomplish this goal.

First, EPA will continue to increase the availability of health and environmental information by providing citizens with access to accurate and reliable environmental information. For instance, with the final expansion of *Window To My Environment* — a geographic portal to community-based environmental information — EPA is moving forward on its mandate to provide the public with electronic and non-electronic access to accurate, useful, and reliable environmental

data. This data source will include information collected by EPA, our partners, and stakeholders.

Effectively managing the process by which the public is educated and informed regarding the Agency's resources is pivotal to accomplishing the mission of the Agency. EPA, through its public and congressional liaison functions, Federal Advisory Committee Act functions, media relations, print and web content review, and oversight responsibilities, will implement strategies designed to continually inform and educate all segments of the public about Agency initiatives, policies, regulations, services, and environmental information resources, and will develop and monitor feedback mechanisms to learn from them.

Second, EPA will continue to develop the Exchange Network (formally known as the National Environmental Information Exchange Network). The Exchange Network is a comprehensive, integrated information exchange system designed to facilitate information sharing among EPA, the states, other Federal agencies, Tribes, localities, and the regulated community. This will include standardized data formats and definitions, a centralized approach to receiving and distributing information, and improved access to timely and reliable environmental information. The Exchange Network will improve environmental decision making, improve data quality and accuracy, ensure security of sensitive data, avoid data redundancy, and reduce the burden on those who provide and those who access information.

Third, EPA will develop and implement program policies and guidance in several areas including web content, website management, and privacy.

Fourth, the Agency will solicit customer feedback to systematically improve information usability, clarity, accuracy, reliability, and scientific soundness. EPA will develop and implement necessary data standards and associated registries to improve the consistency, quality, and comparability of data managed in national environmental systems. EPA will ensure that data quality is known and appropriate for intended uses. Usability testing and customer satisfaction baselines will assure that the information the Agency provides is meeting the needs of its stakeholders. In addition, the Agency is committed to developing analytical and other tools to help users interpret and apply environmental data.

Fifth, EPA will provide the means for using and understanding environmental information. Environmental data are most meaningful when examined from a holistic perspective, that is, when users are able to examine all of the data about a particular location or source at once. Users must also have the underlying documentation that describes the limitations of the data and the context in which it is most useful.

Sixth, EPA will streamline information collection, making it more efficient and cost-effective. The Agency will examine the information reporting burdens we have placed on our partners and on the regulated community and ensure that information collections address specific needs.

Seventh, EPA will improve the timeliness and completeness of requests for information, by implementing an Agency-wide electronic records and document management system. The Agency plans to develop and acquire the necessary software

and hardware to begin phased implementation of the system throughout the Agency.

Finally, strengthening and securing its information infrastructure is fundamental to increasing the availability, usability, and reliability of environmental information. EPA must remain vigilant in maintaining a strong and secure information infrastructure that directly supports the mission of the Agency and homeland security.

By focusing on these areas, EPA will keep pace with the rapid advances in information technology and meet the growing demand for reliable, quality environmental information.

Research

Research efforts supporting this goal include the Integrated Risk Information System (IRIS) and the Risk Assessment Forum (RAF). IRIS is an EPA database of Agency consensus health information on environmental contaminants. The database is used extensively by EPA, the states, and the general public to access consistent, reliable toxicity information needed for credible risk assessments. In FY 2003, the Agency will develop new and updated Agency consensus human health assessments of environmental substances of high priority to EPA and make them publicly available on IRIS. The RAF promotes Agency-wide consensus on difficult and controversial risk assessment issues and ensures that this consensus is incorporated into appropriate Agency risk assessment guidance.

Highlights

Recent changes in information technology, combined with a dramatic increase in public demand for information, have fundamentally altered the way the Agency and the states collect, manage, analyze, use, secure, and provide access to environmental information. EPA is working with the states and Tribes to strengthen our information quality, leverage information maintained by other government organizations, and develop new tools that provide decision-makers and citizens with simultaneous access to multiple data sets and information products thereby allowing users to understand local, state, Regional, and national environmental conditions. These improvements support better-informed environmental decision-making and management based on environmental results.

These improvements will enable citizens to get answers to the questions they have about what EPA is doing to protect the environment and the health of their communities. Stakeholders will have "one-stop" access to the regulatory and policy implementation guidance that they need to improve the performance of their facilities and sectors. The environmental justice (EJ) community will have improved and increased access to the data and information they need to hold facilities' and local government managers environmentally accountable. Facility operators will be able to submit their data to states, Regions, and Federal systems simultaneously via the Internet without having to fill out paper forms, an improvement which will help EPA to meet the national Paperwork Reduction Act and the Government Paperwork Elimination Act burden reduction goals.

Goal 7: Quality Environmental Information

The Agency will actively participate in several of the Administration's electronic government (e-gov) initiatives, building on efforts started in 2002. E-Gov is a major component of the President's Management Agenda and will spur government-wide service improvements and efficiencies. EPA's work will include online rule-making (e-dockets), electronic dockets management, and participation in the human resources and financial management improvement projects.

The Agency's environmental justice program will help communities access information to ensure that they do not experience a disproportionate amount of pollution. Since 1994, more than 950 grants have been awarded to community organizations. As a result of these grant awards, community-based organizations (i.e., grassroots groups, churches, and other nonprofit organizations) have expanded citizen involvement and given residents the tools to learn more about exposure to environmental harms and about associated risks and to protect their families and their communities. These small grants have served as the "seed-money" for empowerment of the residents of these communities, allowing them to speak for themselves and make their own decisions. In 2003, the program will continue to assist community-based organizations through the community small grants program.

Key to achieving our objectives will be the further development of the Exchange Network. The Network builds on a strengthened partnership between EPA and the states. It uses an internet-based, multi-media approach to environmental information exchange that is standards-based, highly connected, flexible, and secure. The Exchange Network will provide a wide range of shared environmental information to the states, Tribes, localities, regulated community, EPA, and the public. Additionally, through the information grant program, begun in 2002, States and Tribes will be better positioned to participate in the Exchange Network.

The Central Data Exchange (CDX) is the electronic portal through which information is securely received, translated and forwarded data to EPA's data systems. In 2003, the CDX infrastructure, a key component of the Exchange Network, will service 45 states and a total of 25,000 facilities, companies, and laboratories will use it to provide data to EPA electronically. By widely implementing an electronic reporting infrastructure, CDX will reduce reliance on less efficient paper-based processes, resulting in improved data quality, reduced reporting burden, and the creation of new opportunities for simplifying the reporting process. By the end of 2003, electronic reporting through CDX will be possible for all of the national environmental systems.

In 2003, data standards will be expanded to include additional areas of environmental information. Access to related information for use by EPA's partners and stakeholders will be greatly enhanced by improvements to the Environmental Data Registries. This system of registries will continue to provide the technical detail needed to promote the adoption of data standards by other parties, and will also provide authoritative sources for populating records, thereby promoting data sharing and integration.

Users of EPA's website have a tool for notifying the Agency of potential errors they find in the national environmental data

systems. The error correction program is the first step in an internal process by which the Agency or a state will assess all reported potential errors, and notify the individual who reported the error of the findings and corrective actions. This program will continue to operate in 2003 and will serve as the basis for the data and information quality "complaint resolution process" called for in the Office of Management and Budget's recently-published quality guidelines.

Citizens and the regulated community will have greater online access to information contained in EPA's rule-making dockets. The Regulatory Public Access System will be the internet complement to EPA's combined docket facility, and will be first available in mid-2002 and more fully populated in 2003. This effort is part of the Administration's e-government initiative.

In partnership with the states, the Agency will continue its efforts to expand publicly available information, both electronically via the internet and through non-electronic media. This includes the Envirofacts database, a major data warehouse comprised of 11 national databases. It is used extensively by EPA, the states, and the public.

In 2003, the Agency will continue its efforts to promote public access through the Agency's Access to Interpretative Documents project (formally known as Enhanced Public Access). This project is designed to make all significant Agency guidance, policy statements, and site-specific interpretations of regulated entities environmental management practices electronically available to the states, industry, and the public in a secure manner.

EPA will continue to implement the Toxics Release Inventory (TRI) Program. The TRI Program provides the public with information on waste management and releases of chemicals to the environment. Two laws, Section 313 of the Emergency Planning and Community Right-To-Know Act (EPCRA) and Section 6607 of the Pollution Prevention Act, mandate that EPA annually collect information on listed toxic chemicals from certain industries and make the information available to the public through various means, including a publicly accessible national database. Using this information, citizens, businesses, community groups, researchers, and governments can work together to better protect the environment.

In 2003, EPA will continue to reduce TRI reporting burdens on industry and improve TRI data quality by distributing its new software tool, "TRI Made-Easy (TRI-ME)." EPA expects to further increase the percentage of TRI reporting forms that are submitted in digital format. EPA will continue to refine and expand the public's understanding of TRI data by improving data access tools such as the "TRI Explorer." In 2003, EPA will release data for the first reporting year since the Agency lowered the TRI reporting thresholds for lead and lead compounds in 2001. EPA will also be issuing a rule to transition from using the old industry classification system, the Standard Industrial Code system, to the new classification system, the North American Industry Classification System for TRI reporting. As part of its on-going responsibilities under the Emergency Planning and Community Right-to-Know Act (EPCRA), EPA will continue to respond to petitions to add and delete chemicals on the TRI list and to other petitions to amend the program.

Goal 7: Quality Environmental Information

In 2003, the Agency will continue to modernize its information systems in cooperation with the states. Modernization efforts will focus on data integration and data quality. These projects will be planned and managed under the Clinger-Cohen Act investment review with oversight by EPA management.

EPA's information technology program will maintain its commitment to strong customer service and strategic investment in new technology to ensure our continued ability to deliver information services efficiently, effectively, and securely. Through emphasis on acquiring the right skills, technologies, and services, EPA will take additional steps to strengthen and secure the Agency's information technology infrastructure. In 2003, EPA will implement a program to ensure that all of its central infrastructure, financial, and mission critical environmental systems are assessed for potential security risks as part of regular system security plan updating.

EPA's quality program will continue to develop the Agency-wide policies and procedures for planning, documenting, implementing, and assessing data collection and use in Agency decisions. The quality program will also develop training material on the various policies and oversee implementation of EPA's quality systems.

Research

In FY 2003, the Agency will continue to provide technical guidance for conducting risk assessments to improve the scientific basis for decision making. To achieve this goal, the Agency's Risk Assessment Forum will focus in three areas: cumulative risk assessment, ecological risk assessment, and risk assessments for children. Efforts will result in technical guidance on the identification of appropriate age groupings for exposure assessments for children, technical issue papers, and a framework for preparing cumulative risk assessments. EPA will also collect, manage, and present environmental information for the benefit of the Agency and the public in order to enhance the availability and utility of data, information, and tools for decision making. To that end, the Agency will develop and/or update Agency consensus human health assessments for 8-10 environmental substances of high priority to EPA and make them publicly available on Integrated Risk Information System (IRIS).

2003 Annual Performance Goals

- In 2003, decision makers have access to the environmental data that EPA collects and manages to make sound environmental decisions while minimizing the reporting burden on data providers.

- In 2003, the public will have better information on toxic releases and wastes being managed in their communities. EPA will also work with the owners and operators of facilities to reduce the record-keeping and reporting burdens associated with submitting their TRI forms to EPA by 14%.

- In 2003, ensure that EPA's policies, programs and activities address disproportionately exposed and under-represented population issues so that no segment suffers disproportionately from adverse health and environmental effects.

Goal 7: Quality Environmental Information

- In 2003, the public will have access to a wide range of Federal, state, and local information about local environmental conditions and features in an area of their choice.
- In 2003, OMB reports that all EPA information systems meet/exceed established standards for security.

Goal 7: Quality Environmental Information

Goal 7: Quality Environmental Information Key Programs

(dollars in thousands)

	FY 2002 Enacted	FY 2003 President's Request
Capacity Building	$0.0	$162.8
Communicating Research Information	$5,543.7	$5,569.6
Community Assistance	$650.2	$921.8
Congressional Projects	$2,078.6	$1,991.3
Congressionally Mandated Projects	$7,275.0	$0.0
Congressional/Legislative Analysis	$4,852.2	$4,857.8
Correspondence Coordination	$1,200.7	$1,096.3
Data Collection	$125.9	$125.9
Data Management	$2,400.7	$2,630.1
Data Standards	$5,339.9	$6,480.6
Direct Public Information and Assistance	$8,612.7	$8,998.4
Environmental Education Division	$9,160.2	$0.0
Environmental Justice	$5,064.4	$4,978.8
Executive Support	$0.0	$83.6
Facilities Infrastructure and Operations	$11,516.6	$10,935.8
Geospatial	$1,015.3	$743.4
Homeland Security*	$607.8	$473.3
Information Exchange Network	$25,000.0	$25,000.0
Information Integration	$6,116.1	$20,157.0
Information Technology Management	$28,521.4	$28,082.3
Intergovernmental Relations – OA	$1,519.8	$1,835.4
Legal Services	$2,979.6	$3,210.0
Management Services and Stewardship	$2,697.7	$2,369.0
Multi-Media Communications	$821.3	$870.3
NACEPT Support	$1,803.1	$1,670.1
NAFTA Implementation	$514.3	$747.9
National Association Liaison	$346.0	$262.5
Pesticide Registration	$570.6	$221.4
Pesticide Reregistration	$392.2	$198.1
Public Access	$12,485.3	$15,569.4
Regional Management	$1,977.9	$2,022.1
Regional Operations and Liaison	$547.5	$477.6

Goal 7: Quality Environmental Information

Regulatory Development	$5,000.5	$4,817.4
Reinventing Environmental Information (REI)	$8,623.8	$7,900.0
SBREFA	$686.2	$608.8
Small, Minority, Women-Owned Business Assistance	$2,295.5	$3,305.0
System Modernization	$13,690.0	$13,690.0
Toxic Release Inventory / Right-to-Know (RtK)	$14,155.6	$15,293.2
Web Products Quality Control	$879.5	$767.0

**FY 2002 does not include $175.6 million provided in the Emergency Supplemental Appropriations Act for Homeland Security.*

Goal 8:

Sound Science, Improved Understanding of Environmental Risk and Greater Innovation to Address Environmental Problems

Goal 8: Sound Science, Improved Understanding of Environmental Risk and Greater Innovation to Address Environmental Problems

Strategic Goal: EPA will develop and apply the best available science for addressing current and future environmental hazards as well as new approaches toward improving environmental protection.

Resource Summary

(dollars in thousands)

	FY 2002 Enacted	FY 2003 Request	FY 2003 vs. FY 2002
Sound Science, Improved Understanding of Env. Risk, and Greater Innovation to Address Env. Problems	**$336,066.9**	**$327,837.9**	**($8,229.0)**
Conduct Research for Ecosystem Assessment and Restoration	$120,594.7	$119,114.6	($1,480.1)
Improve Scientific Basis to Manage Environmental Hazards and Exposures	$53,021.7	$56,355.0	$3,333.3
Enhance Capabilities to Respond to Future Environmental Developments	$62,808.9	$50,965.8	($11,843.1)
Improve Environmental Systems Management	$57,723.6	$52,274.1	($5,449.5)
Quantify Environmental Results of Partnership Approaches	$8,672.7	$9,058.4	$385.7
Incorporate Innovative Approaches	$23,324.5	$29,787.9	$6,463.4
Demonstrate Regional Capability to Assist Environmental Decision- Making	$6,677.9	$6,591.8	($86.1)
Conduct Peer Review to Improve Agency Decisions	$3,242.9	$3,690.3	$447.4
Workyears	989.6	996.3	6.7

Goal 8: Sound Science, Improved Understanding of Environmental Risk and Greater Innovation to Address Environmental Problems

Means and Strategy

EPA is continuing to ensure that it is a source of sound scientific and technical information, and that it is on the leading edge of environmental protection innovations that will allow achievement of our strategic objectives. The Agency consults a number of expert sources, both internally and externally, and uses several deliberative steps in planning its research programs. As a starting point, the Agency draws input from the EPA Strategic Plan, available research plans, EPA program offices and Regions, Federal research partners, and outside peer advisory bodies such as the Science Advisory Board (SAB). This input is used internally by cross-office teams that prioritize research areas using risk and other factors such as National Science and Technology Council (NSTC) research and development priorities, client office priorities, court orders, and legislative mandates. EPA's research program increases our understanding of environmental processes and our capability to assess environmental risks to both human health and ecosystems.

In the area of ecosystem protection research, EPA will strive to establish baseline conditions from which changes, and ultimately trends, in the ecological condition of the Nation's aquatic ecosystems can be confidently documented, and from which the results of environmental management policies can be evaluated at regional scales. Currently, there is a patchwork of monitoring underway in the aquatic systems of the U.S. Due to differences in objectives, methods, monitoring designs, and needs, these data cannot be combined to estimate, with known confidence, the magnitude or extent of improvement or degradation regionally or nationally in this economically critical resource. Therefore, the ability to demonstrate success or failure of increasingly flexible watershed management policies, regionally and nationally, is also not possible. EPA's ecosystem protection research program is providing the methods and designs to address these weaknesses. In FY 2003, EPA will produce a report on the condition of the nation's estuaries. This report will provide the first integrated, comprehensive, and statistically valid national report card on the health of a specific aquatic resource. This work is an important step toward providing the scientific understanding to measure, model, maintain, and restore the integrity and sustainability of ecosystems.

In order to improve the scientific basis for identifying, characterizing, assessing, and managing environmental exposures that can pose the greatest health risks to the American public, EPA is committed to developing and verifying innovative methods and models for assessing the susceptibilities of sub-populations, such as children, to environmental agents such as pesticides. Many of the current human health risk assessment methods, models, and databases are based on environmental risks for adults. This research is aimed at enhancing current risk assessment and management strategies and guidance to better consider risk determination needs for children. This information will be useful in determining whether children are more susceptible to environmental risks than adults and how to assess risks to children.

EPA's leadership role in protecting both human and ecosystem health requires that the Agency continue to be vigilant in

identifying and addressing emerging issues. EPA will continue to enhance its capabilities to anticipate, understand, and respond to future environmental developments. EPA will address these uncertainties by conducting research in areas that combine human health and ecological considerations. Continued research in the areas of endocrine disrupting chemicals and mercury is leading toward the development of improved methodologies for integrated human health and environmental risk assessment and sound approaches for risk management. EPA will conduct research to enhance its capacity to evaluate the economic costs and benefits and other social impacts of environmental policies. These efforts, undertaken in concert with other agencies, will result in improved methods to assess economic costs and benefits, such as improved economic assessments of land use policies and improved assessments for the valuation of children's health, as well as other social impacts of environmental decision-making.

The Agency also seeks to characterize, prevent, and clean up contaminants associated with high priority human health and environmental problems through the development and verification of improved environmental tools and technologies. EPA will incorporate a holistic approach to pollution prevention by assessing the interaction of multiple stressors threatening both human and environmental health, and by developing cost-effective responses to those stressors. Research will also explore the principles governing sustainable systems and the integration of social, economic, and environmental objectives in environmental assessment and management. Emphasis will be placed on developing and assessing preventive approaches for industries and communities having difficulty meeting pollution standards. The Agency is accumulating data on performance and costs of environmental pollution prevention and control technologies that will serve as a basis for EPA, as well as other organizations, to evaluate and compare effectiveness and costs of a variety of technologies developed within and outside the Agency.

In FY 2003, EPA will improve its regulatory and policy development process. The Agency will strengthen the policy analysis of key regulatory and non-regulatory actions, improve the economic analysis underlying Agency actions, and improve the regulatory and policy action information management system.

The Agency also seeks to develop and verify improved tools, methodologies, and technologies for modeling, measuring, characterizing, preventing, controlling, and cleaning up contaminants associated with high priority human health and environmental problems. In order to do this, EPA will develop, evaluate, and deliver technologies and approaches that eliminate, minimize, or control high risk pollutants from multiple sectors. Emphasis will be placed on preventive approaches for industries and communities having difficulty meeting control/emission/effluent standards.

EPA's strategy for solving environmental problems and improving our system of environmental protection includes developing, implementing and insti-tutionalizing new policy tools, collaborative community-based and sector-based strategies, and the capacity to experiment, test, and disseminate innovative ideas that

result in better environmental outcomes. In each area, EPA is looking to advance the application of the innovative tool or approach by promoting broader testing and incorporation into our system of environmental protection and to support collaborative partnerships for environmental management based upon prudent analysis and decision methodologies. For example, EPA's Sector Program Plan 2001-2005 sets forth a vision and specific actions to enhance the effectiveness of innovative sector activities (at the Federal and state levels) and to fully integrate sector approaches into the Agency's overall mission and core programs. Similarly, EPA is strengthening its capacity to evaluate innovative approaches and make institutional changes that adopt successful innovations.

EPA's community-based approach works to provide integrated assessment tools and information and direct assistance for environmental protection in partnership with local, state, and Tribal governments. The work focuses on building the capacity of communities to work effectively at identifying and solving environmental issues in ways that support healthy local economies and improved quality of life.

Sector strategies complement current EPA activities by allowing the Agency to approach issues more holistically; tailor efforts to the particular characteristics of each sector; identify related groups of stakeholders with interest in a set of issues; link EPA's efforts with those of other agencies; and craft new approaches to environmental protection. EPA is building on successful experiences from its current sector-based programs and sector-based compliance assistance programs to expand the ways in which the Agency is working in partnership with industry sectors to meet high environmental standards using flexible, innovative approaches. These programs also foster the development of innovations at the industry sector level, testing new regulatory ideas, technologies, tools, and incentives in non-adversarial settings. In a somewhat related effort, EPA is exploring the potential for broader use of a sector-based regulatory model for small businesses developed by the state of Massachusetts.

Highlights

Research for Ecosystem Assessment and Restoration

In order to balance the growth of human activity with the need to protect the environment, it is important to understand the current condition of ecosystems, what stressors are changing that condition, what the effects are of those changes, and what can be done to prevent, mitigate, or adapt to those changes. In FY 2003 EPA is proposing an initiative to refine and extend the Environmental Monitoring and Assessment Program's (EMAP) approach to the large rivers of the Mississippi River Basin (the Central Basin). The large rivers of the Central Basin are the inland receiving waters for the majority of the Nation's heartland, and are the link between small upland streams and the Gulf of Mexico. Through cooperative programs with the Regions, States, Tribes, and other Federal agencies in the Central Basin, EPA proposes to fill remaining scientific gaps (indicators, sampling design, and sampling methodology) currently limiting our ability to measure the condition of large rivers. EPA will use this information, along with that provided by other agencies, to develop

future baseline assessments of Central Basin rivers. The approaches and technology developed within this effort will be transferred to the many responsible parties within the Basin to enable coordinated, scientifically defensible, long-term monitoring of the condition of these rivers that can help inform environmental management decisions affecting these rivers as well as the Gulf of Mexico. These approaches and technologies will also have widespread applicability to all of the Nation's large rivers. Also in FY 2003, the National Coastal Assessment (NCA) program will produce a report on the condition of the nation's estuaries. This report will provide the EPA and Congress with the first integrated, comprehensive, and statistically valid national report card on the health of a specific aquatic resource.

Research for Human Health Risk Assessment

To reduce uncertainties in risk assessment, in FY 2003 human health research will develop measurements, methods, and models to evaluate exposures and effects of environmental contaminants, particularly in children. The Agency will continue to support a children's health research program specifically targeted at addressing major areas of uncertainty and susceptibility. In an effort to address children's exposure in daycare centers and school environments, EPA is proposing new research to develop information on exposure, determinants of exposure for children in school and daycare environments, and approaches to reduce potentially harmful exposures, and to link these with health outcomes that can be measured using school health attendance and performance records. Other children's research focuses on asthma and data gaps (e.g., the Longitudinal Birth Cohort Study).

EPA will also conduct research on the influence of genetic factors on responsiveness to environmental chemicals. The main scientific question for this research is whether genetic differences are sufficient to influence risk assessment. Along with the current program designed to address aggregate and cumulative risks, in FY 2003 the Agency is proposing increased efforts to more comprehensively address these areas. This research is intended to complement and build on EPA's draft *Human Health Research Strategy*. New research will address temporal variation in exposures and its influence on health effects, methods for predicting the relative toxicity of mixture components, the development of biological markers that can quantify exposure, effects and susceptibility, and the use of the biological data and information on biological mechanisms and mode of action to assess cumulative risk.

Research to Enhance Environmental Decision Making

In recent years, EPA has begun to move beyond environmental regulation to anticipate and prevent potential problems before they evolve into major concerns. In FY 2003, research will focus on improving our understanding of the impacts of potential exposure to environmental pollutants, particularly endocrine disrupting chemicals (EDCs) and mercury, on human health and the environment, and on developing approaches to reduce human health and ecological risks. This research will result in accessible and seamless methodologies for combined human health and ecological risk

assessments. Additional research results will include an improved framework for decision-making, increased ability to anticipate and perhaps prevent potentially serious environmental risks, improved methods for assessing socio-economic factors, and enhanced communication with the public and other stakeholders. EPA will also direct special grant solicitations to support research at Minority Institutions. This program specifically assists minority institutions in establishing and supporting environmental research activities that would build capacity to assess and solve environmental problems. The cumulative result of EPA research is to provide sound approaches for risk management to decision makers, providing them with the integrated view of risk needed to make intelligent choices.

Improve Environmental Systems Management

In FY 2003, the Agency will continue its systems-based approach to pollution prevention, which will lead to a more thorough assessment of human health and environmental risks and a more comprehensive management of those risks. EPA will develop tools and methodologies to prevent pollution at its source and will evaluate environmental technologies through the Environmental Technology Verification (ETV) Program. Research will also develop methodologies to better convey the social, economic, and environmental costs and benefits of reducing environmental risks. Additionally, through the National Environmental Technology Competition (NETC), EPA will recognize and reward innovative technologies that produce more effective and lower cost solutions to environmental problems. In FY 2003, EPA plans to develop competitive solicitations for technologies in various areas of environmental concern, including arsenic treatment technologies for small community drinking water systems. Research efforts will also focus on the reduction of persistent bioaccumulative toxics (PBTs) and volatile organic compounds (VOCs). This work will enhance EPA's ability to mitigate harm caused by environmental pollutants and will provide the public and private sectors with cost-effective environmental technologies.

Regulatory and Policy Development

EPA will improve its regulatory and policy development process by strengthening the policy analysis of key regulatory and non-regulatory actions, improving the economic analysis underlying Agency actions, and improving the regulatory and policy action information management system.

Increased Community-Based Approaches

Regional Geographic Initiatives (RGI) are an approach EPA Regional offices use to partner with states, local governments, private organizations, and others to solve environmental problems that are of particular local concern to the Regions and States.

Science Advisory Board Peer Review and Consultations

The Agency will continue to support the activities, principally peer reviews, of the SAB, which provides independent technical advice to Congress and the Administrator on scientific, engineering, and economic issues that serve as the underpinnings for Agency positions, from

research direction to regulations. The SAB helps the Agency to "do the right science" and to use the results of that science appropriately and effectively in making regulatory decisions. In so doing, the SAB promotes sound science within the Agency and a wider recognition of the quality of that science outside the Agency. In this regard, the SAB is active in consulting with the Agency on how to incorporate science appropriately and effectively into the new approaches the Agency is using to make environmental decisions.

2003 Annual Performance Goals

- In 2003, provide the public with a reliable and statistically valid baseline for the condition of the Nation's estuaries against which to measure the success of ecosystem protection and risk management practices.
- In 2003, develop 10 testing protocols and complete 40 technology verifications for a cumulative Environmental Technology Verification (ETV) program total of 230 to aid industry, states, and consumers in choosing effective technologies to protect the public and environment from high risk pollutants.
- In 2003, EPA will direct enforcement actions to maximize compliance and address environmental and human health problems.

Goal 8: Sound Science, Improved Understanding of Environmental Risk and Greater Innovation to Address Environmental Problems

Goal 8: Sound Science Key Programs

(dollars in thousands)

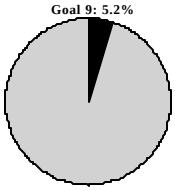
	FY 2002 Enacted	FY 2003 President's Request
Coastal Environmental Monitoring	$7,325.3	$7,671.2
Common Sense Initiative	$1,838.7	$0.0
Congressionally Mandated Projects	$27,468.1	$0.0
Ecosystems Condition, Protection and Restoration Research	$66,707.9	$67,202.1
Endocrine Disruptor Research	$10,722.4	$12,178.7
Environmental Monitoring and Assessment Program, EMAP	$32,360.0	$38,259.6
Environmental Technology Verification (ETV)	$3,607.7	$3,617.6
Facilities Infrastructure and Operations	$15,031.0	$14,163.5
Homeland Security*	$579.6	$1,875.0
Human Health Research	$47,225.6	$51,824.5
Legal Services	$730.5	$788.1
Management Services and Stewardship	$2,469.1	$2,339.9
Performance Track	$1,834.6	$1,834.6
Regional Geographic Program	$7,609.2	$8,651.1
Regional Science and Technology	$3,574.9	$3,601.8
Regulatory Development	$20,803.6	$29,961.8
Research to Support Emerging Issues	$28,658.5	$29,150.8
Research to Support FQPA	$1,217.0	$1,221.0
Research to Support Pollution Prevention	$37,672.9	$44,075.4
Science Advisory Board	$2,887.8	$3,352.5
Small Business Ombudsman	$3,049.1	$3,124.0
STAR Fellowships Program	$9,748.7	$0.0
Superfund Remedial Actions	$2,944.7	$2,944.7

**FY 2002 does not include $175.6 million provided in the Emergency Supplemental Appropriations Act for Homeland Security.*

Goal 9:

A Credible Deterrent to Pollution and Greater Compliance with the Law

Goal 9: A Credible Deterrent to Pollution and Greater Compliance With the Law



Strategic Goal: EPA will ensure full compliance with the laws intended to protect human health and the environment.

Resource Summary

(dollars in thousands)

	FY 2002 Enacted	FY 2003 Request	FY 2003 vs. FY 2002
A Credible Deterrent to Pollution and Greater Compliance with the Law	**$386,539.6**	**$402,462.9**	**$15,923.3**
Increase Compliance Through Enforcement	$330,771.1	$346,590.5	$15,819.4
Promote Compliance Through Incentives and Assistance	$55,768.5	$55,872.4	$103.9
Workyears	2,442.5	2,330.7	(111.8)

Means and Strategies

Many of the environmental improvements in this country during the past 30 years can be attributed to a strong set of environmental laws and EPA's ensuring compliance with the laws using a variety of tools including: enforcement, compliance monitoring, compliance assistance, and compliance incentives in cooperation with our regulatory partners.

Due to the breadth and diversity of private, public, and federal facilities regulated by EPA under various statutes, the Agency needs to target its enforcement and compliance assurance activities strategically to address the most significant risks to human health and the environment and to ensure that certain populations do not bear a disproportionate environmental burden. A strong enforcement program identifies noncompliance problems, assists the regulated community in understanding environmental laws and regulations, punishes violators, strives to secure a level economic playing field for law-abiding companies, and deters future violations. EPA's continued enforcement efforts will be strengthened through the development of measures to assess the impact of enforcement activities and assist in targeting areas that pose risks to human health or the environment, display patterns of non-compliance and include disproportionately exposed populations. Further, EPA co-operates with other nations to enforce and ensure compliance with environmental regulations.

Goal 9: A Credible Deterrent to Pollution and Greater Compliance With the Law

The Agency reviews and evaluates the activities of the regulated community to determine compliance with applicable laws, regulations, permit conditions and settlement agreements and to determine whether conditions presenting imminent and substantial endangerment exist. The majority of workyears devoted to compliance monitoring are provided to the regions to conduct investigations and on-site inspections including monitoring, sampling and emissions testing. Compliance monitoring activities are both environmental media and sector-based. The traditional media-based inspections compliment those performed by States and Tribes and are a key strategy for meeting the long-term and annual goals established for the air, water, pesticides, toxic substances, and hazardous waste environmental goals included in the EPA Strategic Plan.

The Agency's enforcement and compliance assurance program uses compliance assistance and incentive tools to ensure compliance with regulatory requirements and reduce adverse public health and environmental problems. To achieve compliance, the regulated community must understand its regulatory obligations and how to comply with those obligations. EPA supports the regulated community by assuring that requirements are clearly understood and by helping industry find cost-effective options to comply through the use of pollution prevention and innovative technologies. EPA also enables other assistance providers (e.g., states, universities) to provide compliance information to the regulated community. Maximum compliance requires the active efforts of the regulated community to police itself. EPA will continue to investigate options for encouraging self-directed audits and disclosure; measure and evaluate the effectiveness of Agency programs in improving compliance rates; provide information and compliance assistance to the regulated community; and develop innovative approaches to meeting environmental standards through better communication, cooperative approaches and application of new technologies.

State, tribal and local governments bear much of the responsibility for ensuring compliance, and EPA works in partnership with them and other Federal agencies to promote environmental protection. Further, EPA cooperates with other nations to enforce and ensure compliance with environmental regulations. At the Federal level, EPA addresses its uniquely Federal responsibilities under the National Environmental Policy Act (NEPA) by seeking remedies for potentially adverse impacts of major actions taken by EPA and other Federal agencies.

Highlights

Environmental Enforcement

Coordinating its activities with the states, EPA will continue to support deterrence and compliance activities by focusing its compliance monitoring on site inspections and investigations. In setting the compliance and enforcement priorities and strategic direction of the program, EPA coordinates its efforts with and solicits the views of our states partners. The Agency uses the State/EPA Enforcement Forum as a vehicle in advancing the coordination of efforts for joint strategic planning between EPA and the states.

Goal 9: A Credible Deterrent to Pollution and Greater Compliance With the Law

The Agency will continue to work with States and Tribes to target areas that pose risks to human health or the environment, display patterns of non-compliance, or include disproportionately exposed populations. Media-specific and industry sector-based priorities have been established for the national program through the Office of Enforcement and Compliance Assurance's Memorandum of Agreement 2002/2003 guidance, developed in conjunction with the Regional offices.

The civil and criminal enforcement program, in contributing to EPA's goal to protect public health and the environment, targets its actions based on health and environmental risk. The program aims to level the economic playing field by ensuring that violators do not realize an economic benefit from noncompliance and seeks to deter future violations. In FY 2003, the Agency's enforcement initiatives include enforcement of the lead paint rules, and modernization of its data systems to assist in targeting compliance and enforcement efforts.

State, Tribal, and International Capacity Building

A strong state and tribal enforcement and compliance assurance presence contributes to creating deterrence and to reducing noncompliance. In FY 2003, the enforcement and compliance assurance programs will work with and support state agencies implementing authorized, de-legated, or approved environmental programs. Consistent with regulations and EPA policy, the Agency will provide an appropriate level of oversight and guidance to States to ensure that environmental regulations are fairly and consistently enforced across the nation.

The Agency provides grant funding, oversight, training and technical assistance to States and Tribes. The state and tribal grant programs are designed to build environmental partnerships with States and Tribes and strengthen their ability to address environmental and public health threats. These threats include contaminated drinking water, pesticides in food, hazardous waste, toxic substances and air pollution.

Meeting its objective of achieving the benefits of environmental requirements through an enforcement presence requires EPA to effectively implement international commitments for enforcement and com-pliance cooperation with other countries, especially those along the U.S. border. Through such arrangements, EPA works to reduce environmental risks to U.S. citizens from external sources of pollution, as well as to prevent or reduce the impact of pollution originating in the United States.

Compliance Incentives and Assistance

The Agency will continue to support the regulated community's compliance with environmental requirements through voluntary compliance incentives and assistance programs. In FY 2003, the compliance incentives program will continue to implement the policy on Incentives for Self-Policing, Small Business Compliance Policy and Small Communities Policy as core elements of the enforcement and compliance assurance program. In addition, the Agency will provide information and technical assistance to the regulated community through the compliance assistance program to increase

its understanding of statutory and regulatory environmental requirements, thereby reducing risk to human health and the environment and gaining measurable improvements in compliance. The program will continue to develop strategies and compliance assistance tools that will support initiatives targeted toward improving compliance in specific industrial and commercial sectors or with certain regulatory requirements. The annual Compliance Assistance Activity Plan provides information on planned compliance assistance activities in the upcoming fiscal year and will serve as a reference for other assistance providers and the public on EPA's planned tools and activities. The Agency will continue to support the sector based Compliance Assistance Centers, update the Compliance Clearinghouse, sponsor a Federal advisory committee on compliance assistance and will continue to develop and enhance a platform from which to launch additional assistance centers.

2003 Annual Performance Goals

- In 2003, EPA will direct enforcement actions to maximize compliance and address environmental and human health problems.

- In 2003, EPA will conduct inspections, criminal investigations, and civil investigations targeted to areas that pose risks to human health or the environment, display patterns of non-compliance, or include disproportionately exposed populations.

- In 2003, EPA will provide direct investigative, forensic, and technical support to the Office of Homeland Defense, FBI and /or other federal, state and local law enforcement agencies to help detect and prevent, or respond to, terrorist-related environmental, biological or chemical incidents.

- In 2003, identify noncompliance, and focus enforcement and compliance assurance on human health and environmental problems, by maintaining and improving quality and accuracy of data.

- In 2003, improve capacity of states, localities and Tribes to conduct enforcement and compliance programs. EPA will provide training as well as assistance with state and tribal inspections to build capacity, including implementation of the inspector credentials program for tribal law enforcement personnel.

- In 2003, increase opportunities through new targeted sector initiatives for industries to voluntarily self-disclose and correct violations on a corporate-wide basis.

- In 2003, increase the regulated community's compliance with environmental requirements through their expanded use of compliance assistance. The Agency will continue to support small business compliance assistance centers and develop compliance assistance tools such as sector notebooks and compliance guides.

Goal 9: A Credible Deterrent to Pollution and Greater Compliance With the Law

Goal 9: Deterrent to Pollution Key Programs

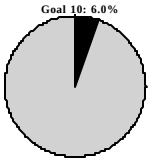
(dollars in thousands)

	FY 2002 Enacted	FY 2003 President's Request
Capacity Building	$10,031.1	$11,272.4
Civil Enforcement	$101,437.2	$99,718.8
Compliance Assistance and Centers	$25,735.4	$25,106.7
Compliance Incentives	$10,095.3	$9,689.9
Compliance Monitoring	$53,216.3	$51,198.4
Criminal Enforcement	$41,555.7	$42,538.1
Data Management	$16,069.9	$16,372.7
Enforcement Training	$3,947.3	$3,880.4
Facilities Infrastructure and Operations	$31,294.2	$33,188.3
Homeland Security*	$3,457.3	$3,807.0
Legal Services	$1,284.5	$1,378.4
Management Services and Stewardship	$6,665.1	$7,395.3
NEPA Implementation	$11,507.5	$11,785.8
RCRA Enforcement State Grants	$42,904.7	$42,904.7
Regional Management	$122.1	$10.0
Sector Grants	$2,209.3	$2,209.3
State Multimedia Enforcement Grants	$0.0	$15,000.0
State Pesticides Enforcement Grants	$19,867.8	$19,867.8
State Toxics Enforcement Grants	$5,138.9	$5,138.9

**FY 2002 does not include $175.6 million provided in the Emergency Supplemental Appropriations Act for Homeland Security.*

Goal 10: Effective Management

Goal 10: Effective Management



Strategic Goal: EPA will maintain the highest-quality standards for environmental leadership and for effective internal management and fiscal responsibility by managing for results.

Resource Summary
(dollars in thousands)

	FY 2002 Enacted	FY 2003 Request	FY 2003 vs. FY 2002
Effective Management	**$424,928.0**	**$460,963.2**	**$36,035.2**
Provide Leadership	$47,207.9	$49,767.0	$2,559.1
Manage for Results Through Services, Policies, and Operations	$186,431.5	$201,462.0	$15,030.5
Provide Quality Work Environment	$139,327.3	$156,141.5	$16,814.2
Provide Audit, Evaluation, and Investigative Products and Services	$51,961.4	$53,592.7	$1,631.3
Workyears	1,996.2	1,943.7	(52.5)

Means and Strategy

The Agency will continue to provide vision, leadership, policy and oversight for all its programs and partnerships. It will employ management strategies to advance the protection of human health and the environment. Strategies that cut across all organizational boundaries and are key to performing the Agency's mission are:

- Developing partnerships with stakeholders to ensure mutual goals are met;
- Promoting cost-effective investment in environmental protection and public health through sound stewardship and responsible results-based management. EPA works to achieve this goal through keeping pace with technological change, meeting accounting standards, consulting with customers and stakeholders, and improving delivery of services;
- Providing responsive and accountable management;
- Assessing management challenges and program risks identified by Congress, oversight agencies, EPA's OIG and State and Tribal partners;

- Committing to manage human resources; foster diversity; and work to secure, develop, empower, and retain talented people to accomplish the Agency's environmental mission;

- Investing in core infrastructure that promote energy efficiency and green procurement, and maintain a safe, healthy, and productive work environment;

- Implementing of streamlined systems and processes in grants and contracts/management; and

- Recognizing of the special vulnerability of children and other sensitive sub-populations, such as older Americans, to environmental risks and facilitating the intensified commitment to protect children and the elderly.

EPA will continue to aggressively implement its action plan in support of the Agency's Strategy for Human Capital. This strategy will enable EPA to attract, retain and further develop a diverse workforce prepared to meet current and future challenges. Building on work that began in 1998, EPA's goals for human capital will focus on implementing a workforce planning model, completing a comprehensive pay review, and developing delivery systems and processes to enhance the training and development of EPA's workforce.

In continuing to provide a quality work environment that is energy conscious and values employee safety and security, the Agency will implement repair and improvement projects at several EPA facilities. These facilities provide the tools essential to research innovative solutions for current and future environmental problems and enhance our understanding of environmental risks. In FY 2003, EPA's goals in this area are aimed at reducing energy consumption at its facilities by encouraging the use of new and advanced technologies and energy savings performance contracts.

By building on the success of its integrated planning, budgeting, and accountability processes and initiatives, EPA promotes the implementation of the Government Performance and Results Act (GPRA) to ensure sound stewardship of Agency fiscal resources. As part of this effort, the Agency is improving its capabilities to use performance data and other information to make cost-effective investments for environmental results. EPA collaborates extensively with partners and stakeholders to forge the partnerships required for shared approaches to meeting the challenges of the GPRA. EPA consults with internal customers on fiscal management services to meet their needs for timeliness, efficiency and quality.

Audit, evaluation, investigative, and advisory products and services contribute to effective management by facilitating the accomplishment of the Agency's mission. Specifically, audits, evaluations, and advisory services lead to improved economy, efficiency, and effectiveness in EPA business practices and assist in the accomplishment of environmental goals. Investigations detect and deter fraud and other improprieties which can undermine the integrity of EPA programs and resources. All Office of Inspector General work is focused on the anticipated value it will have on influencing resolution of the Agency's major management challenges, reducing

risk, improving management and program operations, and saving taxpayer dollars while leading to the attainment of EPA's strategic goals.

The Agency will continue its commitment to protect children's health by targeting resources towards activities that will assure that the decisions and actions taken by the Agency consider risks to children, including working to develop sound scientific information to provide the basis for these decisions and actions. The Agency will also provide policy direction and guidance on equal employment opportunity and civil rights. The Agency's Administrative Law Judges and its Environmental Appeals Board Judges will issue decisions on administrative complaints and environmental adjudications, respectively, in a timely manner.

Highlights

EPA's efforts to meet what has been called the "Federal human resources crisis" has led to the development of a human resources strategic plan entitled *Investing in Our People, EPA's Strategy for Human Capital*. The Agency is committed to improve recruitment of individuals with mission-critical scientific and technical skills; to enhance training and development of senior executives and managers; and to improve retention of a diverse and high performing workforce. Several components of EPA's human capital strategy are currently underway or in development and include the EPA Intern Program; the Mid-level Development Program; the Management Development Program; and the SES Candidate Development Program. In FY 2003, the EPA will link these efforts to the Agency's strategic goals through completion of a comprehensive workforce planning model. Combined, these efforts will provide a comprehensive and dynamic approach to identifying, managing and developing the skills and competencies of EPA's future workforce.

The Agency continues to strengthen pre-award and post-award management of assistance agreements, and continues its transition toward electronic execution of grants. In addition, EPA will increase the number of contracts that are performance-based and will improve electronic commerce by providing electronic communication and contract management between EPA program offices and EPA contractors through the use of EPA's Program Office Interface System.

Agency management provides vision, leadership, and conducts policy oversight for all Agency programs. Sound management principles, practices, results-based planning and budgeting, fiscal accountability, quality customer service, rational policy guidance and careful stewardship of our resources are the foundation for everything EPA does to advance the protection of human health and the environment. The effectiveness of EPA's management will determine, in large measure, how successful we will be in pursuit of the other goals identified in the Agency's annual plan.

In FY 2003, EPA will build on its progress in linking resources to environmental results through goal-based fiscal resource management. The Agency will provide more useful cost accounting information for environmental decision making. EPA will make continued progress in assessing the environmental results of its program activities. Highlights of expected Agency FY 2003 achievements in effective management are:

- Expand Agency and State partner capacity to manage for results through support for the improvement of the quality and use of performance measures.

- Meet new Federal requirements for timely financial information and maintenance of a clean audit opinion on the Agency's financial statements to demonstrate the highest caliber of resource stewardship and the credibility and reliability of Agency financial information.

- Continue efforts to provide decision-makers with integrated cost and performance information to support results-based management and progress on environmental priorities. FY 2003 efforts will focus on:

    - completing the implementation plan for a new payroll system that will reduce costs and burdens,
    - making recommendations for replacing EPA's integrated financial management system,
    - further developing desk-top access to key cost accounting and performance information.

The Office of the Inspector General will conduct and supervise independent and objective audits, evaluations, and investigations relating to Agency management and program operations, and will provide advisory and assistance services. The OIG will also review and make recommendations regarding existing and proposed legislation and regulations impacting the Agency. In addition, program evaluations/audits and four other types of audits will be conducted: contract, assistance agreement, financial statement, and systems audits. Four types of investigations will be performed: program integrity, assistance agreement, contract and procurement, and employee integrity. The OIG Computer Crimes Unit will conduct investigations of computer intrusions, support the OIG and Agency personnel as a Penetration Testing Laboratory, and provide a Forensics Laboratory to assist with OIG investigations. Combined, these activities promote economy, efficiency, and effectiveness within the Agency, prevent and detect fraud, waste, and abuse, and contribute to improved environmental quality and human health. The OIG will keep the EPA Administrator and Congress fully informed of problems and deficiencies identified in Agency programs and operations and the necessity for corrective actions.

In FY 2003, the OIG will also receive, analyze, and facilitate the resolution of citizen's complaints regarding Agency programs and activities, as part of the Ombudsman function. The Ombudsman performs the OIG Hotline function, and is responsible for the review of public complaints about Agency programs and activities.

The Agency's building operations and new construction budget ensure a healthy, safe and secure work environment for its employees and integrates energy conservation, green procurement, and state-of-the-art technology into its daily activities. In FY 2003, the Agency will expand its focus on improving EPA's infrastructure by implementing repair, improvement and energy conservation projects at several EPA facilities. These facilities provide the tools essential for researching innovative solutions to current and future

environmental problems and for enhancing our understanding of environmental risks.

In FY 2003 the Agency will also respond to an increased need to provide a secure working environment for all its employees. The EPA is undertaking a comprehensive security assessment of all EPA facilities nationwide. EPA will upgrade existing interior and exterior security features as necessary, and will provide a more comprehensive and better-equipped security force.

EPA will continue its commitment to protect children's health. The Agency will direct resources toward the programs that reduce risks to children from a range of environmental hazards. In FY2003, the Agency will develop Comprehensive School Environmental Health Guidelines. The Agency will continue to work to decrease the frequency and severity of asthma attacks in children through reduction and avoidance of key asthma triggers, including environmental tobacco smoke, prevalent indoor allergens and ambient air pollution. The Agency will continue efforts to reduce children's exposure to lead, particularly in low income minority neighborhoods, where children living in older housing are much more likely to be exposed to lead. Additionally, the Office of Children's Health Protection will launch a new initiative to improve the Agency's base of knowledge regarding the link between environmental exposure and senior citizens' health through an analysis of the issues, and in consultation with EPA Programs and the Department of Health and Human Services, will develop a draft action strategy, detailing research needs and other actions that are necessary to safeguard elders from adverse health effects from environmental threats.

2003 Annual Performance Goals

- In 2003, strengthen EPA's management services in support of the Agency's mission while addressing the challenges included in the President's Management Agenda
- In 2003, improve environmental quality and human health by recommending 75 improvements across Agency environmental goals, identifying and recommending solutions to reduce 20 of the highest environmental risks, and identifying 20 best environmental practices.

Goal 10: Effective Management

Goal 10: Effective Management Key Programs

(dollars in thousands)

	FY 2002 Enacted	FY 2003 President's Request
Administrative Law	$2,684.0	$2,869.8
Assistance Agreement Audits	$2,000.0	$0.0
Assistance Agreement Investigations	$2,900.0	$0.0
Brownfields	$0.0	$231.1
Childrens Health, Program Development and Coordination	$6,099.0	$6,670.9
Civil Rights/Title VI Compliance	$10,143.6	$11,770.7
Contract and Procurement Investigations	$3,100.0	$0.0
Contract Audits	$5,200.0	$0.0
Employee Integrity Investigations	$1,000.0	$0.0
Environmental Appeals Boards	$1,667.3	$1,737.7
Environmental Finance Center Grants (EFC)	$2,000.0	$2,000.0
Executive Support	$3,113.0	$3,037.6
Facilities Infrastructure and Operations	$168,512.0	$164,776.6
Financial Statement Audits	$4,000.0	$0.0
Homeland Security*	$0.0	$19,000.0
Immediate Office of the Administrator	$4,175.9	$4,343.7
Intergovernmental Relations - OA	$2,167.4	$2,292.7
Investigations	$0.0	$9,469.6
Legal Services	$8,733.9	$9,475.6
Management Services and Stewardship	$67,646.3	$77,015.5
Planning and Resource Management	$56,295.3	$62,791.1
Planning, Analysis, and Results - IG	$6,286.0	$0.0
Program Audits	$4,900.0	$0.0
Program Evaluation - IG	$15,000.0	$0.0
Program Evaluations/Audit	$0.0	$38,597.4
Program Integrity Investigations	$1,500.0	$0.0
Public Access	$1,429.0	$0.0
Regional Management	$35,288.4	$35,902.0
Regional Program Infrastructure	$6,132.2	$6,032.1
Regulatory Development	$1,608.0	$1,602.3
Superfund Remedial Actions	$1,346.8	$1,346.8

**FY 2002 does not include $175.6 million provided in the Emergency Supplemental Appropriations Act for Homeland Security.*

Additional Information

Homeland Security

Introduction

EPA played a critical role in responding to the September 11, 2001 attacks at the World Trade Center in New York City and the Pentagon. At the World Trade Center, the Agency aided in debris removal from Ground Zero, combined efforts with Occupational Health and Safety Administration and the New York City Department of Health to monitor worker exposure to contaminated dust and particulate matter, and coordinated with the New York City Department of Environmental Protection to sample drinking water and ambient air quality. Similar monitoring efforts were conducted at the Pentagon crash site. At the Senate Hart Office Building in Washington, D.C., EPA worked with the Sergeant at Arms, who served as the lead during the Anthrax decontamination process, which was successfully completed in January 2002.

EPA recognizes that establishing comprehensive homeland security does not end with the conclusion of cleanup efforts in New York and Washington, DC. In FY 2002 and FY 2003 the Agency will be investing over $300 million for preparedness and response activities.

FY 2001/2002 Immediate Response

Immediately following the September 11, 2001 attack at the World Trade Center (WTC) in New York City, EPA entered into the first in a series of Mission Assignments with the Federal Emergency Management Agency (FEMA) for response work at Ground Zero. By the end of December, the Mission Assignments totaled $42.6 million. Subsequent to December 31, FEMA transferred an additional $52.7 million to EPA via Inter-Agency Agreements to continue the work through mid-2002, making the total amount $95.3 million. EPA's assignments included:

- Implementation of personnel and equipment decontamination operations for thousands of on-site workers;
- Conducting continuous air and water sampling in and around the WTC site;
- Conducting asbestos sampling, radiological monitoring and waste categorization monitoring at the Staten Island Landfill;
- Vacuum cleaning of sidewalks, streets, and buildings in the WTC area.

These operations have been continually maintained since September 11, 2001, under the overall management of Region 2's Superfund response program and supported by the East Coast Environmental Response Team, as well as staff and management from EPA's other nine Regional offices.

EPA criminal investigators also assisted the FBI and other local and Federal law enforcement organizations at the WTC site. Agency staff aided in the collection of crime scene evidence, photographic documentation, and related investigative duties.

At the Pentagon crash site, EPA emergency responders worked with the FBI and the Department of Defense from September 11 through September 29, 2001 to collect air, water, and debris samples to ensure the safety of response personnel, Pentagon employees, and nearby residents. The Agency's air monitoring did not detect any pollutants from the fires and building debris. EPA sampling also indicated that there was no threat of drinking water contamination. EPA criminal investigator

staff provided the FBI with crime scene investigative support in the areas of body recovery, evidence collection, and assistance at the morgue.

EPA's homeland security emergency response efforts entered a new phase in October 2001, beginning with the discovery of Anthrax in Florida. The Agency responded to private sites, the U.S. Postal Service (USPS) and other government agency sites, and the Capitol Hill complex. The Superfund emergency response program has provided the personnel, equipment and contractors to provide assessment, technical assistance and remediation services according to the needs of each site. Through the end of January 2002, EPA has obligated over $20 million for Anthrax cleanup at the Capitol Hill complex.

EPA's criminal investigations program provided direct investigative and forensic assistance to the FBI, Capitol Police, Sergeant at Arms, Senate Director of Security, and the Senate Select Intelligence Committee. Activities included documenting and gathering crime scene evidence, removing suspected contaminated mail from several Capitol Hill facilities, examining mail to obtain additional evidence, and environmental sampling of hot zones on the 5th and 6th floors of the Hart Building and several other locations. EPA's criminal program is continuing to provide criminal investigative and technical support to the FBI's Joint Terrorism Task Forces and the Attorney General's Anti-Terrorism Task Forces across the country.

FY 2002 Emergency Supplemental Appropriation

The 2002 Emergency Supplemental Appropriations Act provided $175.6 million to EPA. The Agency allocated these resources to address the most important priorities, described below.

In the President's request to Congress, following the attacks on the World Trade Center and the Pentagon, the security of Federal facilities was highlighted as an imperative issue. A total of $30 million was provided to assess the security needs at EPA buildings and laboratories and mitigate those to the extent possible. Investments include, but are not limited to: additional contract guards, cameras, X-ray machines, blast resistant glass, closed circuit TVs, locks, and motorized gates.

The nation's water supply is one of our most vital natural resources. Potential threats to this resource include contamination with biological, chemical, or radiological agents; destruction of physical infrastructure; and disruption of electrical and computer systems. EPA will invest $88.8 million to support enhancement of security at the nation's drinking water systems. $79.8 million will be used to direct grants to the largest drinking water systems to carry out vulnerability systems and enhance emergency response plans, to provide technical assistance on vulnerability assessments and emergency response plans to small and medium drinking water systems, and to further refine security-related detection, monitoring, and treatment tools. In FY 2002 EPA will invest $4 million in accelerating the development and testing of counter terrorism tools, supporting training for the development of vulnerability assessments, providing technical assistance, and conducting research on redesign and detection of collection and treatment systems, and testing and implementation of this research. In addition, the Agency will provide $5 million to the states to support

homeland security coordination work in conjunction with EPA and drinking water utilities to implement homeland security activities. EPA will also develop tools and training for medium and small drinking water utilities to assess vulnerabilities and develop appropriate emergency response plans.

Any major terrorist incident, whether involving explosives, conventional hazardous materials or radiological, chemical or biological agents necessitates an EPA response. This includes first assessing the risks to public health, the environment, and response workers; second, managing and mitigating the hazards of residual contamination; and third, conducting assessments of the adequacy of the response sufficient to allay the concerns of the public who will re-occupy the affected area. The ability to effectively execute these tasks is crucial in providing homeland security. Creating a West Coast Environmental Response Team (ERT) will enable the Agency to respond more rapidly to an event beyond the immediate reach of EPA's current dedicated response team based in New Jersey. The Agency will also use Supplemental resources to enhance preparedness and response effectiveness within each EPA Regional office, fortify the East Coast ERT, and increase Headquarters support. Specific investments include equipment (breathing apparatus, chemical agent monitors, field analytical and communications equipment, etc.); training and exercises for EPA responders and On-Scene Coordinators; participation in inter-agency events with the Federal Bureau of Investigation (FBI), FEMA, and others; pre-deployment of security at national events, such as the 2002 Winter Olympics and IMF/World Bank meetings; and coordination with states and local communities to include homeland security preparedness in their emergency planning programs.

EPA worked to clean up the Hart Senate Office Building from anthrax contamination, while also assisting at the Brentwood facility in Washington, DC and the AMI building in Florida. Staff provided direct investigative and forensic assistance to the FBI and Capitol Police, bringing the Agency's subject matter expertise to bear on the gathering of potential crime scene evidence; removal and examination of suspected contaminated mail from several Capitol Hill facilities; and environmental sampling of hot zones in the Hart Building. The 2002 Emergency Supplemental Appropriation Act provided resources for EPA's cleanup efforts, as well as funds to hire and train additional criminal investigators.

The 2002 Emergency Supplemental Appropriation Act also provides funds to initiate research and development activities in support of homeland security needs. With these resources EPA will develop a unique pathological suite at its Cincinnati lab capable of sampling and evaluating Anthrax and other biological agents. In addition, EPA will use these resources to evaluate the performance of drinking water treatment systems for their ability to cost effectively remove inactivate biological and chemical warfare agents. Finally, these increased resources will provide scientifically based data to assist in selecting effective technologies to destroy chemical and biological contaminants on surfaces and in buildings.

At present, there are no registered pesticide products for killing anthrax. Accordingly, EPA expects an upsurge in

requests to market new antimicrobial products many of which much be tested on an expedited basis for homeland defense. To prepare for such reviews, EPA will be focusing on chemicals that can combat other microbes, both professional decontamination products and some clinical/household disinfectants that may be effective against multiple biological terrorism threats. The Agency will be reviewing requests to market new anthrax and other microbe-killing pesticides.

EPA will deal with potential homeland security problems from misuse of industrial chemicals, by accelerating work in detecting and analyzing the impact of potential threats from exposure to toxic industrial chemicals. Additional information needed to determine the risks to human health from short-term exposures to acutely toxic chemicals will be developed, and subsequently disseminated through the 50 State Emergency Response Commissions (SERCs) to more than 3,500 Local Emergency Planning Committees (LEPCs).

Preserving and protecting the quality of air is a critical aspect of ensuring homeland security. EPA's monitoring efforts at the World Trade Center site illustrate the importance of monitoring ambient air and indoor air. Resources will be used to: purchase field equipment that enables the Agency to screen for contamination, collect samples, ensure protection of response personnel, and inform the public. In addition, EPA will invest in mobile assets, such as sample preparation trailers, mobile radioanalytical labs, and liquid scintillation counters. The Agency will provide training to new laboratory and headquarters support personnel and facilitate coordination efforts with other agencies.

The attacks of September 11, 2001, directly affected EPA personnel in the New York area. Information technology and communication equipment in the Agency's downtown Manhattan office was destroyed or damaged; the building was closed for several weeks; and staff were relocated to an EPA facility in Edison, New Jersey. A portion of the Supplemental Appropriation will be used to reimburse costs of replacing and maintaining equipment at this location. With regards to public access and environmental information, EPA will use resources to provide environmental updates on environmental data to the Agency's web-site regarding cleanup efforts at the World Trade Center.

FY 2003 President's Request

The President's FY 2003 request includes $19 million to continue security upgrades of EPA facilities and maintain the increased contract guards that were initiated with funds from the 2002 Emergency Supplemental Appropriation. This investment sustains the Administration's commitment in preserving a safe and healthy work environment for all Federal employees.

Building on its 2002 investments, the Agency requests $16.9 million to conduct additional drinking water vulnerability assessments for small and medium-sized systems, and $5 million in grants to states to support homeland security coordination.

EPA will continue to operate the West Coast ERT in FY 2003. The President's request includes $5.5 million for the maintenance of this program. An additional $7.7 million is also being requested to upgrade EPA response capabilities.

Homeland Security

In FY 2003, EPA is investing $3.8 million for special agents who will provide environmental crimes expertise to the FBI's Joint Terrorism Task Forces and the Department of Justice's Anti-Terrorism Task Forces. Personnel will also form five National Counter Terrorism Response Teams to coordinate with FBI field offices, perform protection duty services for the Administrator's Office, and proved on-site investigative support for designated National Security Special Events. Additionally, experts at the National Enforcement Investigations Center will respond with technical support in the event of a hazardous chemical release intended to threaten homeland security.

One of EPA's ten goals is to provide the public with quality environmental information. In FY 2003, the Agency will invest $0.5 million to enhance outreach and ensure that the American people are kept informed on the issues of homeland security and the environment.

The FY 2003 President's Budget requests an additional $75 million to conduct research on better technologies and assessments to cleanup buildings contaminated by biological and chemical agents. These efforts will include the transfer of technologies and guidance on decontamination processes, evaluation of existing and new cleanup and detection technologies, development of risk assessment methodologies, and production of rapid decontamination techniques and technologies. The incidents in Florida, New York, and Washington, DC illustrate the potential use of biological and chemical agents as deadly weapons. Through these research efforts, EPA will work to achieve a higher degree of preparedness which will strengthen Federal response efforts.

U.S. Environmental Protection Agency
FY 2002/2003 Homeland Security Summary
(dollars in thousands)

Goal Objective Appropriation	FY 2002 Base Resources	FY 2002 FTE	FY 2002 Supplemental Resources	FY 2002 Supplemental FTE	FY 2003 Base Resource Request	FY 2003 President's Budget Investments
Clean Air	**$874.0**	**9.2**	**$600.0**	**0.0**	**$0.0**	**$0.0**
Attain NAAQS	$520.5	6.9	$600.0	0.0	$0.0	$0.0
EPM	$0.0	0.0	$600.0	0.0	$0.0	$0.0
S&T	$520.5	6.9	$0.0	0.0	$0.0	$0.0
Reduce Air Toxics Risk	$353.5	2.3	$0.0	0.0	$0.0	$0.0
S&T	$353.5	2.3	$0.0	0.0	$0.0	$0.0
Clean and Safe Water	**$3,764.1**	**12.0**	**$88,794.0**	**10.0**	**$1,946.5**	**$20,000.0**
Safe Drinking Water	$3,264.1	12.0	$87,794.0	10.0	$1,946.5	$20,000.0
S&T	$3,264.1	12.0	$82,794.0	10.0	$1,946.5	$15,000.0
STAG	$0.0	0.0	$5,000.0	0.0	$0.0	$5,000.0
Reduce Loadings	$500.0	0.0	$1,000.0	0.0	$0.0	$0.0
EPM	$500.0	0.0	$1,000.0	0.0	$0.0	$0.0
Safe Food	**$14.0**	**0.2**	**$1,465.4**	**2.7**	**$0.0**	**$0.0**
Reduce Risk	$0.0	0.0	$602.6	1.4	$0.0	$0.0
EPM	$0.0	0.0	$602.6	1.4	$0.0	$0.0
Elim. Pesticide Use on Food	$14.0	0.2	$862.8	1.3	$0.0	$0.0
EPM	$0.0	0.0	$862.8	1.3	$0.0	$0.0
S&T	$14.0	0.2	$0.0	0.0	$0.0	$0.0
Preventing Pollution	**$0.0**	**0.0**	**$1,734.6**	**3.3**	**$0.0**	**$0.0**
Reduce Pests Risks	$0.0	0.0	$482.4	2.0	$0.0	$0.0
EPM	$0.0	0.0	$482.4	2.0	$0.0	$0.0
Reduce Risks from Lead	$0.0	0.0	$150.0	0.0	$0.0	$0.0
EPM	$0.0	0.0	$150.0	0.0	$0.0	$0.0
Manage New Chemical	$0.0	0.0	$1,102.2	1.3	$0.0	$0.0
EPM	$0.0	0.0	$1,102.2	1.3	$0.0	$0.0

U.S. Environmental Protection Agency

FY 2002/2003 Homeland Security Summary (continued)

(dollars in thousands)

Goal Objective Appropriation	FY 2002 Base Resources	FY 2002 FTE	FY 2002 Supplemental Resources	FY 2002 Supplemental FTE	FY 2003 Base Resource Request	FY 2003 President's Budget Investments
Better Waste Management	**$3,192.4**	**12.1**	**$42,300.0**	**80.0**	**$3,185.4**	**$83,125.0**
Control Risks	$3,185.4	12.0	$42,300.0	80.0	$3,185.4	$83,125.0
EPM	$0.0	0.0	$3,300.0	5.0	$0.0	$0.0
Superfund	$3,185.4	12.0	$39,000.0	75.0	$3,185.4	$83,125.0
Regulate Facilities	$7.0	0.1	$0.0	0.0	$0.0	$0.0
S&T	$7.0	0.1	$0.0	0.0	$0.0	$0.0
Quality Environmental Info	**$607.8**	**5.0**	**$2,181.5**	**6.0**	**$473.3**	**$0.0**
Increase Availability	$600.8	4.9	$0.0	0.0	$473.3	$0.0
EPM	$600.8	4.9	$0.0	0.0	$473.3	$0.0
Provide Access	$7.0	0.1	$253.1	3.0	$0.0	$0.0
EPM	$0.0	0.0	$253.1	3.0	$0.0	$0.0
S&T	$7.0	0.1	$0.0	0.0	$0.0	$0.0
Improve Agency Info	$0.0	0.0	$1,928.4	3.0	$0.0	$0.0
EPM	$0.0	0.0	$1,028.4	3.0	$0.0	$0.0
Superfund	$0.0	0.0	$900.0	0.0	$0.0	$0.0
Sound Science	**$579.6**	**5.0**	**$1,474.0**	**2.0**	**$0.0**	**$1,875.0**
Conduct Research	$65.5	0.9	$0.0	0.0	$0.0	$0.0
S&T	$65.5	0.9	$0.0	0.0	$0.0	$0.0
Improve Scientific Basis	$360.1	1.9	$0.0	0.0	$0.0	$0.0
S&T	$360.1	1.9	$0.0	0.0	$0.0	$0.0
Enhance Capabilities	$147.0	2.1	$1,440.6	2.0	$0.0	$0.0
S&T	$147.0	2.1	$1,440.6	2.0	$0.0	$0.0
Improve Environmental	$7.0	0.1	$33.4	0.0	$0.0	$1,875.0
S&T	$7.0	0.1	$33.4	0.0	$0.0	$0.0
Superfund	$0.0	0.0	$0.0	0.0	$0.0	$1,875.0

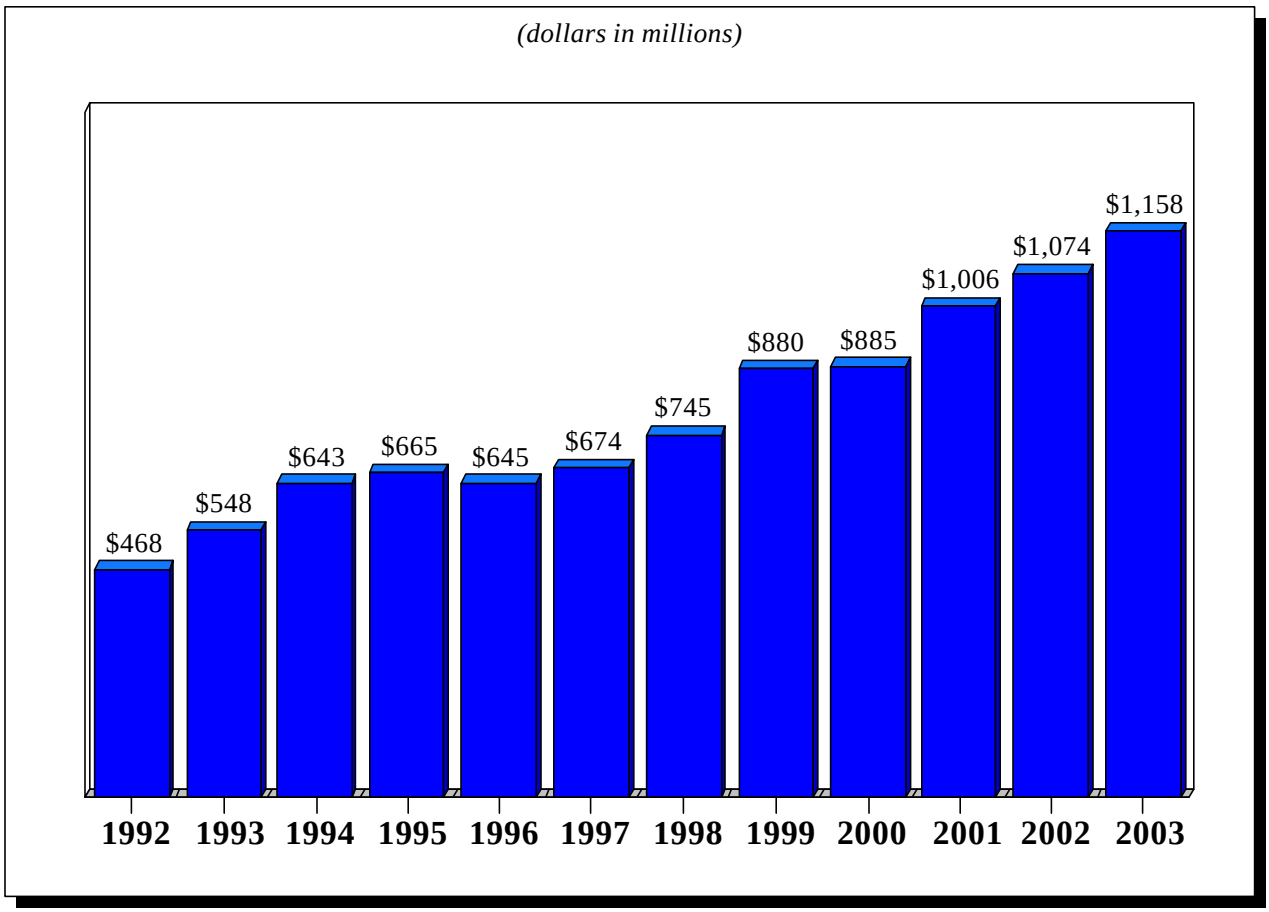
U.S. Environmental Protection Agency

(dollars in thousands)

Goal Objective Appropriation	FY 2002 Base Resources	FY 2002 FTE	FY 2002 Supplemental Resources	FY 2002 Supplemental FTE	FY 2003 Base Resource Request	FY 2003 President's Budget Investments
Credible Deterrent	**$3,457.3**	**30.0**	**$7,010.5**	**50.0**	**$3,807.0**	**$0.0**
Increase Compliance	$2,715.5	24.0	$7,010.5	50.0	$3,807.0	$0.0
EPM	$2,715.5	24.0	$5,618.5	40.0	$3,036.3	$0.0
Superfund	$0.0	0.0	$1,392.0	10.0	$770.7	$0.0
Promote Compliance	$741.8	6.0	$0.0	0.0	$0.0	$0.0
Superfund	$741.8	6.0	$0.0	0.0	$0.0	$0.0
Effective Management	**$0.0**	**0.0**	**$30,040.0**	**3.0**	**$0.0**	**$19,000.0**
Provide Quality Work Env.	$0.0	0.0	$30,040.0	3.0	$0.0	$19,000.0
EPM	$0.0	0.0	$24,000.0	3.0	$0.0	$6,000.0
S&T	$0.0	0.0	$6,040.0	0.0	$0.0	$1,500.0
B&F	$0.0	0.0	$0.0	0.0	$0.0	$11,500.0
Total	**$12,489.2**	**73.5**	**$175,600.0**	**157.0**	**$9,412.2**	**$124,000.0**

Note: Table does not include FEMA reimbursable resources

Categorical Grants Program



In 2003, the President's Budget requests a total of $1,158.3 million for 23 "categorical" program grants for state and tribal governments. This is an increase of $83.9 million over 2002. EPA will continue to pursue its strategy of building and supporting state, local and tribal capacity to implement, operate, and enforce the Nation's environmental laws. Most environmental laws envision establishment of a decentralized nationwide structure to protect public health and the environment. In this way, environmental goals will ultimately be achieved through the actions, programs, and commitments of state, tribal and local governments, organizations and citizens.

In 2003, EPA will continue to offer more flexibility to state and tribal governments to manage their environmental programs as well as provide technical and financial assistance to achieve mutual environmental goals. First, EPA and its state and tribal partners will continue implementing the National Environmental Performance Partnership System (NEPPS). NEPPS is designed to allow states more flexibility to operate their programs, while increasing emphasis on measuring and reporting environmental improvements.

Second, Performance Partnership Grants (PPGs) will continue to allow states and tribes funding flexibility to combine categorical program grants to address environmental priorities.

Highlights

Enforcement State Grants

In 2003, the President's Budget includes a new $15.0 million grant program. This reflects a shift in emphasis for enforcement from Federal to State levels for those programs already delegated to the States. This shift creates a new grant program for States and tribes that will bring enforcement closer to the entity being regulated. EPA will offer media specific and multi-media funding to states and tribes for compliance assurance activities including compliance assistance and incentives, inspections, and enforcement actions.

National Environmental Information Exchange Network

In 2003, the President's Budget requests $25.0 million to continue a grant program, started in 2002, that will provide states and tribes assistance to develop the National Environmental Information Exchange Network (NEIEN). This grant program will build on work currently underway in several states and assist states and tribes in evaluating their readiness to participate in NEIEN. Funds will also support state and tribal efforts to complete necessary changes to their information management systems to facilitate participation, and enhance state information integration efforts. NEIEN will improve environmental decision making, improve data quality and accuracy, ensure security of sensitive data, and reduce the burden on those who provide and those who access information.

Brownfields State Grants

In 2003, in support of recently enacted Brownfields legislation, the President's Budget requests $50.0 million to launch a new brownfields grant program that will provide states and tribes assistance to establish or enhance their response program. The new program will also permit the recipients to capitalize revolving loan funds; purchase insurance or develop a risk sharing pool, an indemnity pool, or an insurance mechanism to provide financing for response actions under a state response program.

Indian General Assistance Program Grants

In 2003, the President's Budget requests $57.5 million for the Indian General Assistance Program (GAP). This is an increase of $5.0 million over 2002. This increase supports the goal of establishing a minimum environmental presence for all Federally recognized Tribes and inter-tribal consortia.

Counter Terrorism Grants

In 2003, the President's Budget requests $5.0 million for counter terrorism grants to support states' efforts to work with utilities to develop and enhance emergency operations plans; conduct training in the implementation of remedial plans in small systems; and, develop detection, monitoring and treatment technology to enhance security at utilities.

Elimination of Tribal Cap on Non-Point Sources

In 2003, the President's Budget is proposing to eliminate the statutory one-third-of-one-percent cap on Clean Water Act Section 319 Nonpoint Source Pollution grants that may be awarded to tribes. Tribes applying for and receiving Section 319 grants have steadily increased from two in 1991 to over 70 in 2001. This number is expected to increase annually as more federally recognized Tribes with significant NPS pollution problems become eligible to participate in the 319(h) program. This proposal recognizes the increasing demand for resources to address tribal nonpoint source program needs.

Categorical Grants Program

CATEGORIAL PROGRAM GRANTS (STAG)
by National Program Manager and State Grant
(dollars in thousands)

Grant	FY 2001 Enacted	FY 2002 Enacted	FY 2003 President's Budget
Air & Radiation			
State and Local Assistance	$208,540.1	$221,540.1	$221,540.1
Tribal Assistance	$11,044.5	$11,044.5	$11,044.5
Radon	$8,139.9	$8,139.9	$8,139.9
	$227,724.5	$240,724.5	$240,724.5
Water			
Pollution Control (Section 106)	$171,883.3	$192,476.9	$180,376.9
Beaches Protection	$0.0	$10,000.0	$10,000.0
Counter-Terrorism	$0.0	$0.0	$5,000.0
Nonpoint Source (Section 319)	$237,476.8	$237,476.8	$238,476.8
Wetlands Program Development	$14,967.0	$14,967.0	$14,967.0
Water Quality Cooperative Agrmts	$18,958.2	$18,958.2	$38,958.2
	$443,285.3	$473,878.9	$487,778.9
Drinking Water			
Public Water System Supervision (PWSS)	$93,100.2	$93,100.2	$93,100.2
Underground Injection Control (UIC)	$10,950.9	$10,950.9	$10,950.9
	$104,051.1	$104,051.1	$104,051.1
Hazardous Waste			
H.W. Financial Assistance	$106,363.6	$106,363.6	$106,363.6
Brownfields	$0.0	$0.0	$50,000.0
Underground Storage Tanks	$11,918.4	$11,918.4	$11,918.4
	$118,282.0	$118,282.0	$168,282.0
Pesticides & Toxics			
Pesticides Program Implementation	$13,085.5	$13,085.5	$13,085.5
Lead	$13,682.0	$13,682.0	$13,682.0
Toxic Substances Compliance	$5,138.8	$5,138.8	$5,138.8
Pesticides Enforcement	$19,867.9	$19,867.8	$19,867.8
	$51,774.2	$51,774.1	$51,774.1
Multimedia			
Environmental Information	$0.0	$25,000.0	$25,000.0
Enforcement State Grants	$0.0	$0.0	$15,000.0
Pollution Prevention	$5,986.3	$5,986.3	$5,986.3
Enforcement & Compliance Assurance	$2,209.3	$2,209.3	$2,209.3
Indian General Assistance Program	$52,469.7	$52,469.7	$57,469.7
	$60,665.3	$85,665.3	$105,665.3
TOTALS	**$1,005,782.4**	**$1,074,376.0**	**$1,158,276.0**

FY 2001 Enacted includes 0.22% rescission; FY 2002 does not include funding provided in the Emergency Supplemental Appropriations Act for Homeland Security.

Infrastructure Financing

(dollars in millions)	FY 2002 Enacted	FY 20032 President's Budget
Infrastructure Financing		
Clean Water State Revolving Fund (CWSRF)	$1,350.0	$1,212.0
Drinking Water State Revolving Fund (DWSRF)	$850.0	$850.0
Mexican Border Projects	$75.0	$75.0
Alaska Native Villages	$40.0	$40.0
Special Needs Projects	$343.9	$0
Targeted Projects	$0	$8.0
Brownfields Infrastructure Projects	-----	$120.5
Total	**$2,658.9**	**$2,305.5**

Infrastructure Funds

The President's Budget requests a total of $2,305.5 million in 2003 for EPA's Infrastructure programs, a decrease of $353.4 million from 2002. Of the total infrastructure request, $2,102.0 million will support EPA's Goal 2: Clean and Safe Water, $128.5 million will support EPA's Goal 5: Better Waste Management, and $75.0 million will support EPA's Goal 6: Reduction of Global and Cross-border Environmental Risks. The $353.4 million decrease is the net result of an increase of $120.5 million for the new Brownfields Infrastructure Projects; an increase of $8.0 million in Targeted Projects for the Homestake Mine; a $138.0 million decrease in the Clean Water State Revolving Fund (CWSRF) program; and a $343.9 million reduction in 2002 Congressional earmarks.

The resources requested in this budget will enable the Agency, in conjunction with EPA's state, local, and tribal partners, to achieve several important goals for 2003. Some of these goals include:

- 92 percent of the population served by community water systems will receive drinking water meeting all health-based standards, in effect as of 1994, up from 83% in 1994.
- Provide additional site assessment funding to 74 new sites, and to 52 existing sites, resulting in a cumulative total of 3,350 properties assessed, the generation of 21,300 jobs, and the leveraging of $5.0 billion in cleanup and redevelopment funds since 1995.

Infrastructure Financing

Infrastructure funding under the State and Tribal Assistance Grants (STAG) appropriation provides financial assistance to states, municipalities and tribal governments to fund a variety of drinking water, wastewater, and Brownfields infrastructure projects. These funds are essential to fulfill the Federal government's commitment to help our state, tribal and local partners obtain adequate funding to construct the facilities required to comply with federal environmental requirements and ensure public health and revitalize contaminated properties.

Providing STAG funds through State Revolving Fund (SRF) programs, EPA works in partnership with the states to provide low-cost loans to municipalities for infrastructure construction. SRF funds are also provided as grants to tribal governments to help them address their drinking water and wastewater needs. The Brownfields Infrastructure Program provides states, tribes, political subdivisions (including cities, towns, and counties) the necessary tools, information, and strategies for promoting a unified approach to environmental assessment cleanup, characterization, and redevelopment at sites contaminated with hazardous wastes and petroleum contaminants.

Goal 2: Enhancing Human Health through Clean and Safe Water

Capitalizing Clean Water and Drinking Water State Revolving Funds

The Clean Water and Drinking Water State Revolving Fund programs demonstrate a true partnership between states, localities and the Federal government. These programs provide Federal financial assistance to states, localities, and tribal governments to protect the nation's water resources by providing funds for the construction of drinking water and wastewater treatment facilities. The state revolving funds are two important elements of the nation's substantial investment in sewage treatment and drinking water systems which provides Americans with significant benefits in the form of reduced water pollution and safe drinking water.

EPA will continue to capitalize the Clean Water State Revolving Fund (CWSRF). Through this program, the Federal government provides financial assistance for wastewater and other water projects, including nonpoint source, estuary, stormwater, and sewer overflow projects. Water infrastructure projects contribute to direct ecosystem improvements by lowering the amount of nutrients and toxic pollutants in all types of surface waters.

This budget request includes $1,212.0 million for the CWSRF. More than $19 billion has already been provided to capitalize the CWSRF, over twice the original Clean Water Act authorized level of $8.4 billion. Total CWSRF funding available for loans since 1987, reflecting loan repayments, state match dollars, and other funding sources, is approximately $37.7 billion, of which more than $34 billion has been provided to communities as financial assistance. As of July 2001, $3.4 billion had not been utilized, but is ready for loans.

The dramatic progress made in improving the quality of wastewater treatment since the 1970s is a national success. In 1972, only 84 million people were served by secondary or advanced wastewater treatment facilities. Today, 99

percent of community wastewater treatment plants, serving 181 million people, use secondary treatment or better.

In 2003, the President is requesting $850.0 million for the Drinking Water State Revolving Fund (DWSRF). Through the DWSRF program, states will provide loans to finance improvements to community water systems so that they can achieve compliance with the mandates of the Safe Drinking Water Act and continue to protect public health. Some non-state recipients, such as the District of Columbia and the tribes, will receive their DWSRF allocations in the form of grants.

The DWSRF will be self-sustaining in the long run and will help offset the costs of ensuring safe drinking water supplies and assisting small communities in meeting their responsibilities. The FY 2003 request keeps EPA on track with our commitment to meet the goal for the DWSRF to provide an average of $500 million in annual financial assistance, even after Federal capitalization ends. Through FY 2001, Congress has appropriated $4.4 billion for the DWSRF program. Through June 30, 2000, States had received $3.6 billion in capitalization grants, which when combined with the state match, bond proceeds and other funds provided $5.2 billion in total cumulative funds available for loans. Through June 30, 2000, States had made close to 1,800 loans totaling $3.8 billion and $1.4 billion remained available for loans.

State Flexibility Between SRFs

The Agency requests continuation of authority provided in the 1996 Safe Drinking Water Act (SDWA) Amendments which allows states to transfer an amount equal to 33 percent of their DWSRF grants to their CWSRF programs, or an equivalent amount from their CWSRF program to their DWSRF program. The transfer provision gives states flexibility to address the most critical demands in either program at a given time. Unless extended, the transfer provision expires September 30, 2002.

Set-Asides for Tribes

To improve public health and water quality in Indian Country, the Agency proposes to continue the 1 1/2% set-aside of the CWSRF for wastewater grants to tribes as provided in the Agency's 2002 appropriation. More than 70,000 homes in Indian country have inadequate or nonexistent wastewater treatment. EPA and the Indian Health Service estimate that tribal wastewater infrastructure needs exceed $650.0 million as of 1997.

Supporting Alaska Native Villages

The President's Budget requests $40.0 million for Alaska native villages for the construction of wastewater and drinking water facilities to address serious sanitation problems. EPA will continue to work with the Department of Health and Human Services' Indian Health Service, the State of Alaska, and local communities to provide needed financial and technical assistance.

Goal 5: Better Waste Management, Restoration of Contaminated Waste Sites, and Emergency Response

Brownfields Infrastructure Projects

The President's Budget requests a total of $120.5 million for brownfields infrastructure projects. EPA will award grants for assessment activities and for the brownfields cleanup revolving loan funds

(BCRLF). In addition, under the new Brownfields Revitalization and Environmental Restoration Act of 2001, the term brownfields has been expanded to include sites contaminated by petroleum or a petroleum product, therefore, grants will be awarded to assess and cleanup these sites. The statute also permits the award of grants to perform cleanup activities and EPA will develop procedures to implement their award.

Targeted Projects

The President's Budget requests $8.0 million for maintaining the Homestake Mine in South Dakota until the National Science Foundation makes a determination on whether to establish a National lab at the mine.

Goal 6: Reducing Cross-border Environmental Risks — U.S./Mexico Border

The President's Budget requests a total of $75.0 million for water infrastructure projects along the U.S./Mexico Border. The goal of this program is to reduce environmental and human health risks along the U.S./Mexico Border. The communities along both sides of the Border are facing unusual human health and environmental threats because of the lack of adequate wastewater and drinking water facilities. EPA's U.S./Mexico Border program provides funds to support the planning, design and construction of high priority water and wastewater treatment projects along the U.S./Mexico Border.

Trust Funds

(dollars in millions)

	FY 2002 Enacted	FY 2002 Enacted FTE	FY 2003 President's Budget	FY 2003 President's Budget FTE
Superfund				
Response	$910.1	1,555.3	$831.9	1,500.6
Enforcement	$167.5	1,129.6	$171.8	1,129.1
Management & Support	$132.9	490.9	$134.6	488.0
Other Federal Agencies	$10.7	0.0	$10.7	0.0
Homeland Security Supplemental	$41.3	0.0*	$0.0	0.0
Pension & Benefits Accrual Costs	$19.4	0.0	$20.0	0.0
Transfers				
Inspector General	$11.9	94.1	$12.7	94.1
Research & Development	$36.9	109.2	$111.2	109.2
Superfund Total	**$1,330.7**	**3,379.1**	**$1,292.9**	**3,321.0**
Base Realignment and Closure (BRAC)	**$0.0**	**81.3**	**$0.0**	**83.5**
LUST	**$73.0**	**80.3**	**$73.3**	**80.4**
Pension & Benefits Accrual Costs	$0.9	0.0	$0.9	0.0
Trust Fund Total:	**$1,404.6**	**3,625.7**	**$1,366.1**	**3,484.9**

FY 2002 does not include workyears provided in the Emergency Supplemental Appropriations Act for Homeland Security.

SUPERFUND

In 2003, the President's Budget requests a total of $1,292.9 million in discretionary budget authority and 3,321.0 workyears for Superfund. Currently, more than 92 percent of 1,450 sites on the Superfund final national priorities list (NPL) are either undergoing cleanup construction (remedial or removal) or are completed.

Trust Funds

Of the total funding requested, $831.9 million and 1,500.6 workyears are for Superfund cleanups. The Agency's Superfund cleanup program addresses public health and environmental threats from uncontrolled releases of hazardous substances. In 2003, EPA and its partners will complete 40 Superfund cleanups at NPL sites to achieve the overall goal of 884 construction completions by the end of 2003.

Of the total funding requested, $171.8 million and 1,129.1 workyears for the Superfund Enforcement program. One of Superfund's primary goals is to have responsible parties pay for and conduct cleanups at abandoned or uncontrolled hazardous waste sites. The program focuses on maximizing all aspects of potentially responsible party (PRP) participation, including having PRPs initiate work at 70% of the new construction starts at non-Federal Facility Superfund sites, and emphasizing fairness in the settlement process. Where PRP negotiations and previous enforcement actions fail, EPA uses its appropriation to clean up sites and then seeks to recover these costs from the PRPs.

The remaining portion of the Superfund FY 2003 President's Budget comprises Management and Support, other Federal agencies, Research and Development and Inspector General. The President's Budget requests $134.6 million and 488.0 workyears for management and support activities. These resources support Agency-wide resource management and control functions including: essential infrastructure, contract administration, financial accounting and other fiscal operations.

Included in our Superfund request is $10.7 million for our Federal agency partners. The Agency works with several other Federal agencies to perform essential services in areas where the Agency does not possess the specialized expertise. Currently the Agency has interagency agreements with the United States Coast Guard, the Department of the Interior, the Federal Emergency Management Agency, and the Occupational Safety and Health Administration.

The President's Budget also requests $123.9 million and 203.3 workyears to be transferred to Research and Development for innovative cleanup technology testing and the Inspector General for program auditing.

Base Realignment and Closure Act (BRAC)

The FY 2003 President's Budget requests 83.5 reimbursable workyears to conduct the BRAC program. Since 1993, EPA has worked with the Department of Defense (DoD) and the states' environmental programs to make property environmentally acceptable for transfer, while protecting human health and the environment -- at realigning or closing military installations. Between 1988 and 1995, 497 major military installations representing the Army, Navy, Air Force**,** and Defense Logistics Agency were slated for realignment or closure. Of these, 108 installations have been designated as Fast-

Track sites. The Fast-Track program strives to make parcels available for reuse as quickly as possible, by either transfer of uncontaminated or remedial parcels, or lease of contaminated parcels where cleanup is underway or "early transfer" of contaminated property undergoing cleanup.

LUST

The FY 2003 President's Budget requests $73.3 million and 80.4 workyears for the Leaking Underground Storage Tank (LUST) program. Approximately 85 percent of this will be used for state cooperative agreements and support for tribal cleanup. One of the Agency's highest priorities in the LUST program over the next several years is to address approximately 150,000 cleanups that have yet to be completed (as of September 2001), and to address LUST sites that are difficult to remediate because they are contaminated by methyl tertiary butyl ether (MTBE) and other oxygenates. In 2003 the Agency's goal is to complete 22,500 cleanups under the supervision of EPA and its state, local and tribal partners.

Environmental Protection Agency
Summary of Agency Workforce by Goal

Workyears

	FY 2002 Enacted	FY 2003 Request	Delta FY 2003 vs. FY 2002
1. Clean Air	1,830.7	1,820.0	(10.7)
2. Clean and Safe Water	2,737.3	2,742.8	5.5
3. Safe Food	777.5	770.1	(7.4)
4. Preventing Pollution	1,204.9	1,193.9	(11.0)
5. Better Waste Management	4,308.5	4,498.7	190.2
6. Global and Cross-Border Risks	517.7	504.7	(13.0)
7. Quality Environmental Information	840.1	847.1	7.0
8. Sound Science	989.6	996.3	6.7
9. Credible Deterrent	2,442.5	2,330.7	(111.8)
10.Effective Management	1,996.2	1,943.7	(52.5)
Grand Total	**17,645.0**	**17,648.0**	**3.0**

FY 2002 does not include workyears provided in the Emergency Supplemental Appropriations Act for Homeland Security.

Environmental Protection Agency
Summary of Agency Resources by Goal

(dollars in thousands)

	FY 2002 Enacted	FY 2003 Request	Delta FY 2003 vs. FY 2002
1. Clean Air	$593,361.8	$597,977.3	$4,615.5
2. Clean and Safe Water	$3,738,990.3	$3,214,674.2	($524,316.1)
3. Safe Food	$109,071.7	$109,814.6	$742.9
4. Preventing Pollution	$319,915.1	$326,651.9	$6,736.8
5. Better Waste Management	$1,520,683.8	$1,711,279.8	$190,596.0
6. Global and Cross-Border Risks	$276,588.0	$269,727.2	($6,860.8)
7. Quality Environmental Information	$197,067.8	$199,124.0	$2,056.2
8. Sound Science	$336,066.9	$327,837.9	($8,229.0)
9. Credible Deterrent	$386,539.6	$402,462.9	$15,923.3
10. Effective Management	$424,928.0	$460,963.2	$36,035.2
Offsetting Receipts	$0.0	($4,000.0)	($4,000.0)
Adjustment to account for proposed retirement and health benefits legislation	$103,588.6	$107,087.8	$0.0
Grand Total Budget Authority	**$8,006,801.6**	**$7,723,600.8**	**($283,200.8)**

FY 2002 does not include $175.6 million provided in the Emergency Supplemental Appropriations Act for Homeland Security.

Environmental Protection Agency
Summary of Agency Resources by Appropriation

(dollars in thousands)

	FY 2002 Enacted	FY 2002 Supplemental Resources	FY 2003 Request
Science & Technology	$712,867.3	$90,308.0	$685,275.1
Environmental Programs and Management	$2,119,363.6	$39,000.0	$2,114,860.6
Buildings & Facilities	$25,318.0	$0.0	$42,918.0
Oil Spill Response	$16,104.5	$0.0	$16,706.4
Inspector General	$36,591.0	$0.0	$37,953.9
Superfund	$1,289,352.0	$41,292.0	$1,292,855.6
Superfund Program	*$1,240,594.0*	*$41,292.0*	*$1,168,945.6*
Research Transfer	*$36,891.0*	*$0.0*	*$111,168.0*
IG Transfer	*$11,867.0*	*$0.0*	*$12,742.0*
State & Tribal Assistance Grants	$3,733,276.0	$5,000.0	$3,463,776.0
Leaking Underground Storage Tanks	$73,929.2	$0.0	$73,255.2
Offsetting Receipts	$0.0	$0.0	($4,000.0)
Grand Total Budget Authority	**$8,006,801.6**	**$175,600.0**	**$7,723,600.8**

FY 2003 includes $107 million for proposed new pension and health benefits legislation. To make columns comparable, the FY 2002 Enacted level has been revised for this change.