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NOTE: References to workyears refer to total workyears rather than only "permanent" workyears. Additionally, some numbers may not add due to independent rounding.

Cover Photos: John P. Scott, Victor Zambrano

The 1998 President's Budget for the Environmental Protection Agency presents a clear and compelling illustration of the Administration's commitment to 'protect the environment while advancing the prosperity of the American people and people throughout the world.' The policies and programs of the last 25 years have proven remarkably effective. However, the problems of the future demand new, creative and innovative solutions. The 1998 Budget continues building this new era of environmental protection and demonstrates again the dedication of this Administration to environmental protection efforts.

In 1998, EPA will strengthen its commitment to protect the public health and the environment. The Agency's focus is on the President's environmental commitments made in Kalamazoo, Michigan, and other significant priorities, and implementation activities related to the passage of new environmental legislation. These efforts will address important issues such as accelerating Superfund cleanups, expanding brownfields redevelopment efforts, improving the public's right to know about pollution in their neighborhoods, assessing health risks to children, revitalizing our urban areas, applying new research tools to the state of the environment, and ensuring the safety of the Nation's water and food supplies.

EPA's 1998 budget request of **\$7.6 billion** and **18,283 workyears** encompass a wide variety of critical programs protecting the public health and the environment. A clean environment requires attention towards the traditional programs that continue to protect our air, land, and water, but also programs designed to address more vulnerable populations and more polluted geographical locations requiring either immediate or specified attention.

HIGHLIGHTS

Protecting All Communities from Toxic Pollution

The President made a new national commitment in Kalamazoo, Michigan, to protect communities from toxic pollution. The Agency is making significant contributions to carry out the Administration's commitments in four key areas.

First, EPA is working to accelerate toxic waste cleanup. The Agency is requesting funds in 1998 to begin the work to clean up another 500 sites in the next four years, so that 900 (about two-thirds) of the Nation's worst toxic waste sites will be cleaned up through the year 2000.

Second, the Agency is proposing a major expansion of the Brownfields Redevelopment Initiative. This effort will expand EPA grants to communities for site assessment and cleanup, and for redevelopment planning of contaminated and abandoned urban properties.

Third, the Agency is requesting funds to improve the availability of information to all citizens and communities about toxic pollution. As a part of this commitment, EPA will work with other federal, state, and local agencies to put in place a nationwide network to monitor key environmental health indicators in the air, land and water. Americans will have access to this timely health-related data to make informed choices that directly affect their health. In addition, the Agency is working to provide the public with information on toxics and possible environmental health risks, including cancer, developmental, hormonal, and reproductive risks.

Finally, the Agency is continuing its commitment to get tough on criminal polluters. Prosecutors, police and investigators need better tools to protect our communities from the threat of toxic pollution. The Agency is requesting resources to train state and local law enforcement officers to investigate and detect environmental crimes.

Implementing New Environmental Laws

Last year was a watershed year with the enactment of two new environmental laws - the Safe Drinking Water Act Amendments (SDWA) of 1996 and the Food Quality Protection Act (FQPA) of 1996. These two laws established new approaches to improve the safety of our drinking water and food. In addition, they established aggressive schedules for EPA to implement new requirements. In 1997, an \$40 million was appropriated for EPA to begin implementation. In 1998, the President requests an additional \$36

million and 141 total workyears to address the various new requirements within the statutory time frames.

In 1998, EPA will further implement the new requirements of the SDWA Amendments to ensure that every American public water system will provide safe drinking water. To accomplish this, EPA will improve the way drinking water safety standards are set and regulations developed, emphasize prevention programs such as protecting source waters, set regulatory priorities based upon risk, and expand consumer information about contaminants found in drinking water. EPA will also provide technical and financial assistance to state and local governments to operate small drinking water systems. Finally, EPA is requesting \$725 million in capitalization grants for states to issue loans to local municipalities to improve their drinking water systems.

EPA will also continue in 1998 to implement the requirements of the FQPA designed to improve the safety of America's food supply. Strengthening its ability to ensure safer pesticides, EPA will reassess existing pesticide tolerances, streamline reviews of safer pesticides, review pesticide registration for new health concerns such as endocrine disruptors, and accelerate review of existing pesticides. In addition, EPA will develop and distribute more useful information to the public to inform them about the risks posed from adverse pesticide exposures. To help pay for these new requirements, EPA will increase pesticide reregistration and tolerance fees.

Protecting Children from Environmental Threats

Assessing health risks to children from environmental pollutants is a major concern for this Administration. The Administrator has announced an Agencywide policy to ensure that environmental health risks to children are explicitly and consistently evaluated in our risk assessments, risk characterizations, and environmental and public health standards. The Agency also issued a national agenda on children's environmental health in late 1996. EPA will support families with information under the

Right-to-Know principle about possible health threats to their children and provide more public information and education. Enforcement efforts will also focus on our children, with coordinated initiatives and case development and litigation to protect our children from the dangers of lead-based paint. Lastly, to fulfill the commitment made by the President and the Administration, EPA will reassess current information and approaches to determining risks to children and, accordingly, revise national standards that will provide greater protection to our children.

Revitalizing Cities through Urban Livability Endeavors

EPA is committed to making cities more livable through environmental protection, by expanding the urban revitalization efforts begun by the Superfund's Brownfields program. The Agency will produce guidelines for preventing polluted runoff that threatens urban drinking water sources and focus efforts to improve air quality in urban communities. In addition, support will be provided to cities for pilot projects in waste minimization outreach and in coordinated pollution prevention goals in reducing waste generation, energy usage, and water usage.

Applying Advanced Technology to Environmental Management

Technological developments in remote sensing, information systems and computer technologies have created new opportunities for environmental monitoring and management. The Advanced Measurement Initiative (AMI) will guide the identification, research and application of advanced monitoring tools and enabling technologies to provide more timely, accurate, comprehensive and cost-effective monitoring information for assessing the status of the environment and the health of people and ecosystems. Fundamental to AMI are effective partnerships--both intra-agency and inter-agency (NASA, DoD, DoE, DoI and DoC), as well as partnerships with the community, academia and private industry. The Agency will leverage partnerships, focusing on matching specific environmental monitoring technology needs with appropriate technology solutions. The goals of

AMI include effective adoption of existing and emerging technologies through integrated planning and implementation that address measurement, analysis, data management and communication.

Regulatory Reinvention

The Agency's commitment to regulatory reinvention is reflected in improvements in the current system as well as innovative alternatives to current practices. The Agency is proposing activities designed to address problems with today's regulatory programs. For example, EPA is restructuring reporting requirements under the National Pollution Discharge Elimination System (NPDES), reducing reporting from facilities with the best compliance records, while maintaining full reporting from facilities with poorer compliance records.

EPA is continuing to seek alternatives to the current regulatory system. Through efforts like Project XL, the Agency is forming partnerships with businesses, states, communities, and public interest groups to test novel management strategies for single facilities, industrial sectors, or geographic areas. In addition, the Agency's Environmental Leadership Program will continue to work with federal and state partners to initiate projects to test innovative approaches to compliance. Funding will also continue in 1998 for mechanisms to assist small businesses, including Small Business Assistance Centers that help small businesses in specific industries comply with their environmental requirements. EPA's compliance with the Small Business Regulatory Enforcement Fairness Act (SBREFA) will steadily increase the consideration and accommodation of small business concerns in regulatory matters.

Increasing Support to State and Tribal Partners

EPA will continue to pursue its strategy of building and supporting state, local, and tribal environmental protection programs. Since most environmental laws envision a federal/state/local/tribal partnership to fully implement our Nation's environmental laws, EPA will continue to support our partner's efforts to fully implement, operate,

and enforce environmental requirements. In doing this, the Nation's environmental goals will be achieved through the actions and commitments of state, local, and tribal governments, organizations, and local citizens.

EPA assistance to state and tribal governments will continue to be provided through both technical and financial assistance. The Agency is requesting increased resources for the states in the air, water, and multimedia enforcement programs to address increasing program requirements due to the Food Quality Protection Act, new clean air standards, and review of the quality of surface waters for Total Maximum Daily Loads (TMDLs). Resource increases are also requested for the tribes in most categorical program grants to help them continue to develop their environmental protection programs.

In addition, EPA is continuing to pursue new approaches to provide more flexibilities to our state and tribal partners. EPA is attempting to formalize Tribal/EPA Environmental Agreements with every federally recognized Indian tribe. In this way, EPA can support its Indian partners in a manner consistent with tribal priorities and statutory requirements.

Performance Partnership Grants and Agreements

In 1996, Congress enacted the President's proposal to establish permanent authority for EPA to enter into Performance Partnership Grants with the states and tribes. In 1998, EPA will work with the states and tribes to combine individual categorical grants (for air, water, hazardous waste, etc.) into one or more consolidated grants. These grants help to streamline administrative burdens, while at the same time allowing governments to better target their resources to the most pressing environmental problems. In 1996, twenty states used more flexible authority to combine grants in an effort to reduce administrative burdens. As states realize the benefits of these combined grants, we expect more states to participate. The Performance Partnership Grants build on the National Environmental Performance Partnership System (NEPPS), where states and EPA can sign agreements for reduced EPA

oversight in return for strong state performance. In fiscal year 1997, we expect at least 24 states to sign NEPPS agreements with EPA.

Enforcement and Compliance Assurance

The Enforcement program will emphasize a balanced approach between traditional activities of compliance monitoring, civil enforcement and criminal enforcement actions, as well as more recent approaches such as compliance assistance and compliance incentives. The key areas the Enforcement program proposes for investment and redirection of resources in 1998 support its dual role to use both enforcement and compliance tools to ensure adherence to environmental regulations, particularly in high risk areas. Accordingly, the budget will redirect resources from the relatively low risk areas such as Hazardous Waste Enforcement into programs for protection of children's health from lead-based paint and from pesticide misuse. The Enforcement program will also provide additional resources to protect public water systems and address the unique water pollution problems of concentrated animal feedlot operations.

EPA will reduce its request for federal compliance assistance resources, as states assume greater responsibility for providing assistance. However, the Enforcement program will provide additional resources for compliance incentives to the regulated community. In 1998, the program will emphasize and increase the resources devoted to the new self-audit policy as a way of achieving greater compliance levels at lower cost to the public and private sectors, as well as industry/federal agency partnerships.

Reducing Uncertainties Through Research

The 1998 budget supports strong science and research which will bolster the Agency's understanding in areas with major environmental uncertainties. Research priorities were developed in the context of the ORD strategic plan using a risk-based priority process. One such area of great risk and major uncertainty is Particulate Matter (PM). PM is perhaps the largest single contributor to adverse health effects caused by air

pollution, with estimates ranging from thousands to tens of thousands of premature deaths per year. PM research will focus on mortality risks, exposure, and the mechanisms by which particles affect human health. Increased resources are also provided in response to growing scientific concern about the unknown effects of environmental exposure to substances that interact with the endocrine system. Research in this area will characterize the effects of environmental exposure to various chemicals, in two target populations, humans and wildlife. Additionally, EPA will conduct research to obtain better understanding and assessment of the potential health risks and human exposures to drinking water disinfection by-products and microbial pathogens.

Climate Change Action Plan

The 1998 President's Budget supports the implementation of the Climate Change Action Plan (CCAP). The actions taken under the Climate Change Action Plan are the means by which the U.S. is striving to meet its commitment to reduce annual greenhouse gas emissions to 1990 levels by the year 2000. The heart of CCAP will remain its reliance on voluntary partnerships between EPA and organizations or individuals that join to save energy and/or increase productivity while reducing greenhouse gases. EPA currently has on-going partnerships with entities such as states, cities, farmers and large and small businesses.

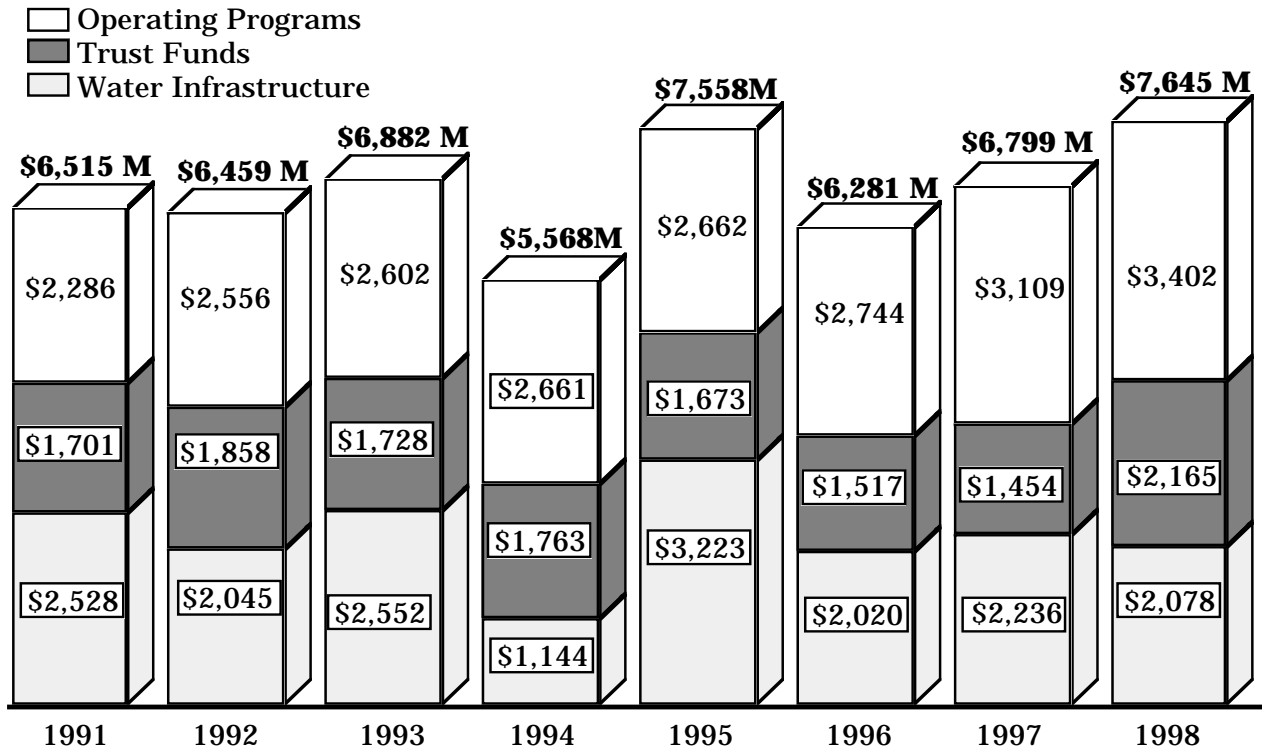
Summary

EPA looks to protect all Americans from environmental threats, whether a child or adult, or a person living in an urban or rural community. EPA seeks the most effective means for creating a clean environment and protecting public health, from providing grants to state, local, or tribal agencies, to implementing Performance Partnership Grants, and to providing innovative and cost-effective means for governments and industry to meet environmental regulations. EPA's focus on toxic pollution in 1998 paves the way for future generations to grow up in a clean and safe environment. EPA also targets our geographical areas hardest hit by pollution, ensuring that even those living in the most

environmentally disadvantaged communities still have hope for the future. By addressing these initiatives and programs, EPA will demonstrate that its investments are in concert with America's highest environmental priorities.

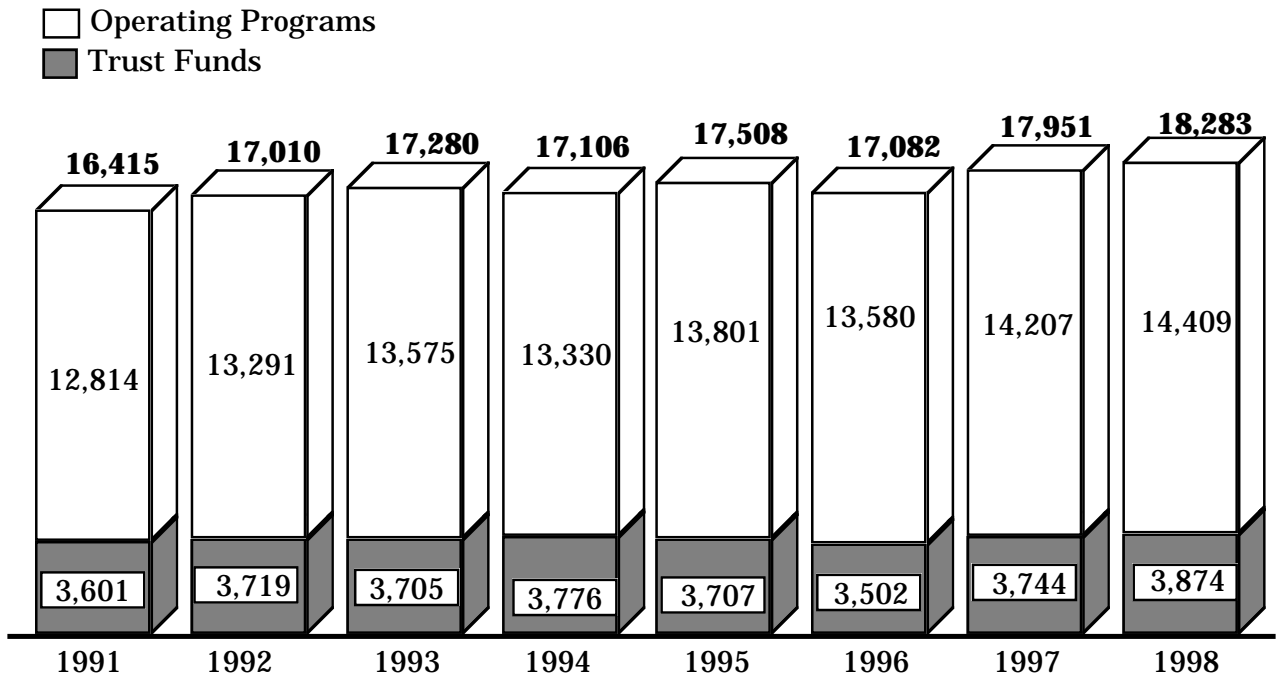
America's priorities also include a government that works for the people. With every environmental program, EPA emphasizes achieving results through strong science and better research, innovative cost-effective tools and methods, and initiatives that aim to work with industry, governments, and Americans as partners. Most importantly, EPA works for the American people by protecting the Nation's public health and environment.

In 1998, The Agency's Budget Totals \$7.6 Billion

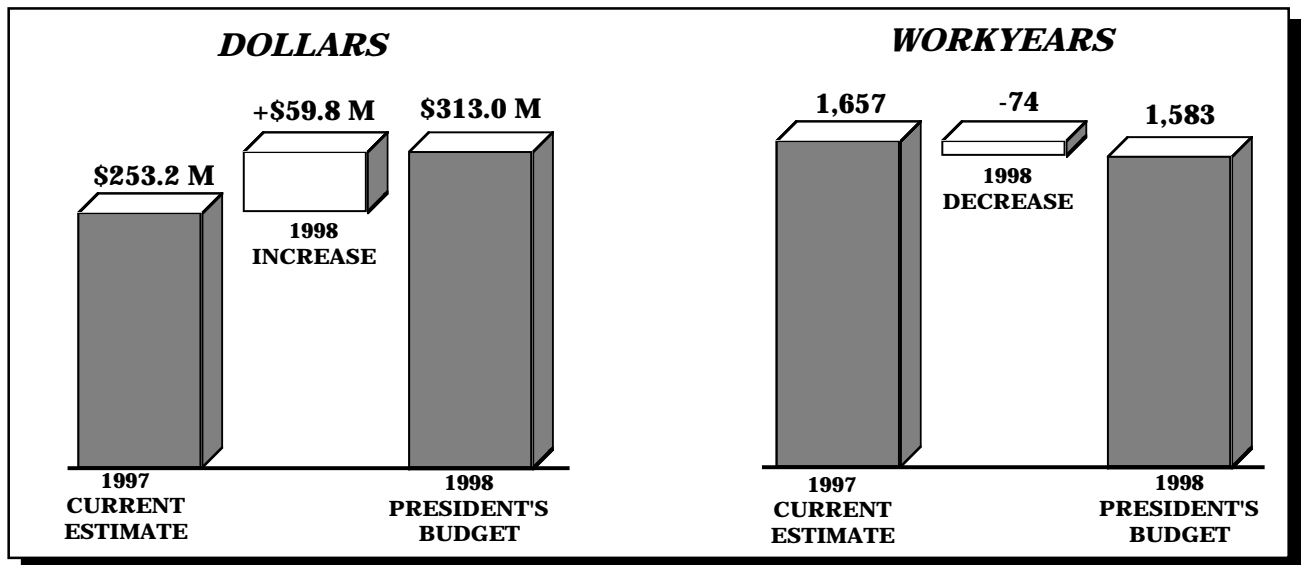


Notes: State, Local, and Tribal grants previously captured in the Operating Programs are accounted for in Water Infrastructure beginning in 1996

The Agency's Workyear Ceiling Increases in 1998



THE OPERATING PROGRAMS



The overall quality of our Nation's air continues to improve. Emissions of the Nation's six major air pollutants have declined almost 30 percent since passage of the Clean Air Act in 1970, and recent trends show continued declines. For all pollutants except ozone, 1995 air quality levels were the best in a decade. But we still have more to do before all Americans, especially our children, have safe, fresh air to breathe. Air pollution continues to be a widespread problem in the United States, contributing to human illnesses such as cancer, respiratory and reproductive problems, and mental impairment. Air pollution also reduces visibility, corrodes buildings, and damages natural resources and ecosystems through toxic accumulation and acidification of soils and lakes. Through November 1996, more than 170 areas, with a combined population of approximately 124 million residents, did not meet current air quality standards for one or more of the six common "criteria" pollutants for which EPA has established National Ambient Air Quality Standards to protect human health and the environment. Recent studies show that some current standards may not be sufficient. The studies recommend changes to the standards that would increase the size of the population living in areas designated as non-attainment.

The primary law authorizing EPA to control air pollution is the Clean Air Act (CAA) which was updated in 1990 to give EPA expanded authority to control smog, air toxics, acid rain, and other health threats. The CAA of 1990 also

gave EPA authority to develop regulations for the phaseout of chemicals that destroy the earth's ozone layer. EPA is also involved in the activities of the Intergovernmental Panel on Climate Change (IPCC), and EPA programs contribute significantly to greenhouse gas emission reductions accomplished under the Administration's Climate Change Action Plan (CCAP). EPA also addresses issues associated with indoor air environments.

The President's Budget requests a total of **\$313.0 million** and **1,583 workyears** in 1998 in the Air media under the EPM account. The 1998 request for the Air media does not include \$11.3 million and 98 workyears the Agency is requesting under the S&T appropriation in 1998, rather than the EPM appropriation as in the past. Considering the amount requested in the S&T account, funding levels increase by \$71.1 million from 1997, and workyears increase by 23. The Agency has established six program objectives for 1998 to help achieve clean air environmental goals: 1) continue to review the adequacy of National Ambient Air Quality Standards (NAAQS) and to work with states to attain the standards; 2) reduce emissions of hazardous air pollutants through setting federal standards and developing an integrated urban air toxics strategy; 3) encourage the use of market-based approaches (e.g., the highly successful, market-based acid rain emissions trading system); 4) reduce energy consumption and prevent pollution through voluntary, profitable measures; 5) implement

domestic rules and United States responsibilities under the Clean Air Act and the revised Montreal Protocol for reducing stratospheric ozone depletion; and 6) provide technical support to state and tribal air programs.

HIGHLIGHTS

Improving the Nation's Air Quality

EPA sets NAAQSs for pollutants that endanger public health and the environment. The Agency is required to review the NAAQSs every five years and revise them as necessary. The review process includes economic, risk, health, and benefits analyses. EPA reviewed the ozone and particulate matter standards in 1996, and the Agency expects to decide the need for revised standards in 1997. The President's Budget requests a total of \$66.3 million and 632 workyears in 1998 for improving air quality. The 1998 request for this activity does not include \$5.8 million and 51 workyears the Agency is requesting under the S&T appropriation in 1998, rather than the EPM appropriation as in the past. Considering the amount requested in the S&T account, funding levels are nearly unchanged from 1997, and workyears increase by 13.

After a NAAQS is set, states must develop clean air plans that reduce pollution and protect public health and the environment. In 1998 EPA will continue to assist states in meeting NAAQS, and work with affected states to address the persistent and widespread problem of ozone transport.

EPA will provide direct assistance to industry in 1998 by developing and refining emission factors and providing technical guidance on developing emission inventories. The demand for new and refined factors is growing as sources prepare to comply with new operating permit requirements.

Enhancing Urban Livability

Continuing EPA's success in demonstrating that economic renewal and environmental protection go hand-in-hand, the

Agency will launch a new initiative in 1997 that builds on current urban revitalization efforts while helping cities meet future economic and environmental challenges. In 1998 EPA will coordinate Sustainable Development Challenge Grants with the Urban livability initiative and empower state and local governments to pursue innovative approaches to local environmental protection issues. The President's Budget requests \$14.3 million and 4 workyears under the EPM appropriation to support these initiatives in the Air media in 1998, an increase of \$9.9 million and an increase of four workyears from 1997.

Establishing a Community Right-to-Know Network

As part of the President's environmental commitments made in Kalamazoo, Michigan, the President's Budget requests \$5.0 million and 13 workyears under the EPM appropriation to support the establishment of a Community Right-to-Know Network, a new program in 1998. The Agency will begin to build a National Right-to-Know Network in 1998 to make real-time air quality information available when families need it to make decisions affecting their activities and exposure to unhealthy air. Work will begin with states to enhance air quality data delivery systems and to upgrade monitoring networks, where necessary, for the 75 largest metropolitan areas. The 1998 effort will focus on designing pilot systems for initial metropolitan areas and purchasing equipment and software.

Implementing National Air Toxics Strategies and Standards

In addition to the pollutants for which air quality standards have been established, there are hundreds of other hazardous air pollutants, generally called air toxics. Over one million tons of these air toxics are released annually to the atmosphere from industrial facilities, automobiles, and other sources.

To help reduce public exposure to air toxics, EPA must develop technology-based standards for 189 hazardous air pollutants from 174 industries. Under the requirements of the

Clean Air Act, EPA must develop these Maximum Achievable Control Technology (MACT) standards on a phased schedule through the year 2000. At that point, EPA will determine whether the remaining public health risk warrants additional regulation. EPA also is developing other air toxic rules for combustion sources and developing and implementing strategies to reduce public health risks in urban areas, as well as to reduce atmospheric deposition of toxics to the Nation's water bodies, including the Great Lakes. The President's Budget requests a total of \$41.9 million and 218 workyears in 1998 for the Air Toxics program. The 1998 request for this activity does not include \$4.7 million and 38 workyears the Agency is requesting under the S&T appropriation in 1998, rather than the EPM appropriation as in the past. Considering the amount requested in the S&T account, funding levels increase by \$276 thousand from 1997, and workyears increase by four.

Controlling Acid Rain

Acid deposition and its precursors adversely affect human health; damage lakes, forests, and man-made structures; and reduce visibility. EPA seeks to reduce sulfur deposition by a range of 25 to 40 percent in the eastern U.S. by the year 2005. The 1998 President's Budget requests \$12.9 million and 100 workyears under the EPM appropriation for the Acid Rain program, an increase of \$681 thousand and an increase of five workyears from 1997.

EPA has begun to reduce sulfur dioxide (SO₂) emissions by 10 million tons from 1980 levels and nitrogen oxides (NO_x) emissions by two million tons. The Agency is achieving the SO₂ emission reductions through an innovative market-based emission allowance program that provides affected sources with flexibility in meeting required emission reductions. Successful implementation of the allowance trading system minimizes compliance costs, maximizes economic efficiency, and allows for growth. The acid rain program is seen as a model for regulatory reform efforts both here and abroad. In 1998 EPA will work with states to develop market-based programs to reduce NO_x.

Maintaining Voluntary Partnership Programs to Prevent Pollution

To stabilize 'greenhouse' gases that contribute to climate change, EPA promotes voluntary partnership programs to prevent and reduce emissions of air pollution. By demonstrating the pollution prevention benefits of energy efficiency, the program educates manufacturers, designers, and consumers on the purchase, installation and use of energy efficient products in a manner that benefits the environment while not imposing net increased costs on participating organizations. The Climate Change Action Plan also expands cooperative, non-regulatory programs to profitably capture and use methane and emissions of other potent greenhouse gases by providing technical support, removing institutional barriers such as property rights issues and fair pricing from utilities, and recruiting partners for these voluntary programs. The 1998 President's Budget requests \$91.9 million and 120 workyears under the EPM appropriation for maintaining voluntary partnership programs to prevent pollution, an increase of \$42.6 million and a decrease of one workyear from 1997.

Reducing Stratospheric Ozone Pollution

The President's Budget requests \$25.5 million and 26 workyears under the EPM appropriation for EPA's Stratospheric Ozone Depletion Program, an increase of \$9.3 million and a decrease of one workyear from 1997. To restore the stratospheric ozone layer and protect public health and the environment, EPA focuses on four areas: domestic and international phase-out of ozone depleting chemicals; implementation of limitations on other ozone depleters; more intensive recycling programs in the U.S. and abroad; and earlier voluntary phase-out of ozone depleting chemicals in developing countries.

Included in the President's Budget for the Stratospheric Ozone program is \$21.0 million to support the Montreal Protocol Facilitation Fund. This fund is a treaty obligation that supports developing countries' efforts to phaseout the use

of ozone depleting substances. To date, the fund has financed over 1,517 activities in 101 developing countries. When fully implemented, these activities will result in the annual prevention of over 30,000 tons of ozone depleting substances.

Addressing Indoor Air Environments

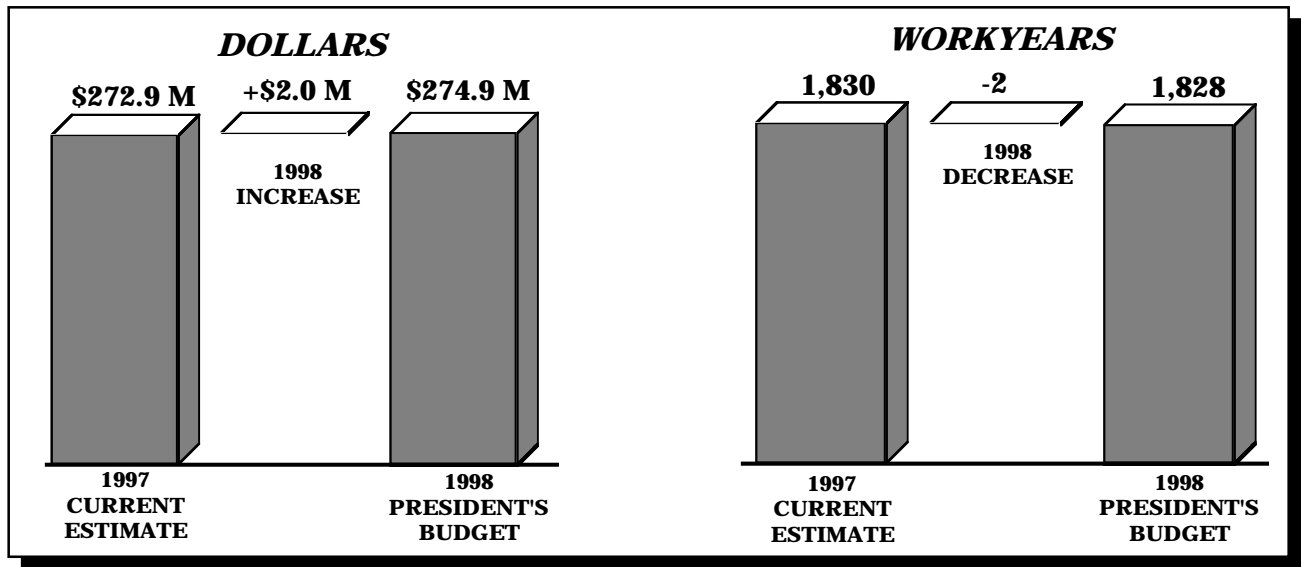
EPA's primary strategy to reduce exposure to unhealthy levels of indoor air pollutants is to use voluntary approaches and partnerships to educate audiences ranging from consumers to building managers about indoor air problems and solutions. The Agency develops guidance about ways to reduce the health risks of indoor contaminants such as radon, second-hand tobacco smoke, and emissions from building and consumer products and works through partner organizations to create awareness and change consumer and institutional behavior. The President's Budget requests a total of \$18.7 million and 113 workyears in 1998 for the Indoor Environments program.

Implementing Strong Compliance and Enforcement Efforts

The 1998 President's Budget requests \$22.2 million and 293 workyears under the EPM appropriation for the Stationary Source Enforcement program, an increase of \$2.4 million and a decrease of ten workyears from 1997. The program monitors compliance with the attainment and maintenance of ambient standards for Clean Air Act criteria and toxic pollutants. The program also ensures the reduction of hazardous air emissions by enforcing the stationary sources requirements of state clean air plans, New Source Performance Standards, National Emission Standards for Hazardous Air Pollutants, the Acid Deposition Control Program and Stratospheric Ozone Protection Program.

In 1998, Stationary Source Compliance Monitoring efforts will be focused on major stationary sources in nonattainment areas, on new sources, and on problem sources in attainment areas. The regional program will support and supplement the efforts of state and local air pollution control agencies. Stationary Source Civil Enforcement will target enforcement actions to ensure the reduction of toxic air emissions and implement the Title V Operating Permits program to address hazardous air pollutants and enhance state programs for improved urban air quality.

WATER QUALITY



Since the passage of the Federal Water Pollution Control Act of 1972, the United States has had tremendous success in reducing pollution entering our surface waters. EPA's Water Quality program has broadened its focus over the years by examining entire watersheds and considering all sources of water pollution to increase program effectiveness. This broader 'place-based' approach considers critical ecosystems affected, stakeholders involved, strong science and data available, and pollution prevention strategies in developing effective solutions. In this way, point and nonpoint source problems -- such as wet weather runoff from farms, streets, lawns and construction sites -- can be addressed in a coherent, targeted strategy. This is critical since nonpoint source pollution has become the Nation's most significant remaining water quality problem.

The Water Quality program, mandated by the Clean Water Act (CWA) of 1987, has improved water quality management and enhanced the Agency's partnerships with the states. This Act authorized the development of new standards and guidelines to prevent and control water quality pollution and authorized new approaches to deal with nonpoint sources of pollution. Other statutory mandates of this program are found in the Great Lakes Critical Programs Act; Water Resources Development Act; the Marine Protection, Research and Sanctuaries Act; the Shore Protection Act; and the Coastal Zone Reauthorization Amendments.

The 1998 President's Budget requests **\$274.9 million** and **1,828 workyears** for the Water Quality program, an increase of \$2.0 million and a decrease of two workyears from 1997. In 1998, the Agency will continue its long-standing focus on common sense, place-based approaches that build on the basic water programs; in particular, revising existing water quality criteria, assisting stakeholders in incorporating a risk-based approach, investigating emerging priorities like air deposition pollutants into surface waters, and providing increased support for tribal water programs.

HIGHLIGHTS

The Water Quality program in 1998 will increase funding for various programs to enhance water quality. The Water Quality program will participate in the President's Right-to-Know Initiative by providing greater access to comprehensive water quality data and by educating the public regarding the risks from contaminated water at beaches. As part of the Administration's Urban Livability Initiative, the Water Quality program will establish partnerships and create tools to assist local communities in addressing water quality problems. In addition, the Agency is requesting a significant increase in funding to support the development of effluent guidelines and its Nonpoint Source (NPS) programs. The Water

Quality program will also strengthen its Community-Based Environmental Protection (CBEP) efforts. Finally, increased assistance will be provided to states in developing watershed-level Total Maximum Daily Loads (TMDLs) and to allow EPA to successfully backstop state efforts if necessary.

Increasing the Public's Right-to-Know

In 1998, EPA is requesting \$2.0 million for the President's Right-to-Know Initiative to increase public knowledge of the risks to human health from exposure to contaminated water at beaches and to provide accessible comprehensive water quality information to the public. EPA will work with environmental health officials from state, county, city, and tribal agencies, as well as concerned interest groups, to identify and collect information on beach health protection activities nationwide. EPA will develop and disseminate information materials on the risks, particularly to children, of exposure to waters contaminated by disease-causing microorganisms. In addition, investments in the recently created Surf-Your-Watershed Internet page and the National Watershed Assessment Project will build on the Agency's information-gathering and dissemination successes.

Revitalizing the Urban Environment

In 1998, to continue to successfully demonstrate that economic renewal and environmental protection go hand-in-hand, EPA is requesting \$2.3 million for an urban revitalization initiative to address cities' special environmental needs. As part of a multi-media effort, the Water Quality program will apply lessons learned in developing effluent limitation guidelines and wet weather flow controls by establishing partnerships and creating tools for protecting and restoring polluted waterways that hold vast potential for economic development.

Improving Effluent Guidelines

The Agency is requesting an increase of \$3.0 million to support development, revision, and promulgation of effluent guidelines that have the greatest potential for reducing risks to public

health. EPA will also provide a larger role to stakeholders in identifying cost-effective pollution control technologies which do not overburden the regulated community, integrating wherever possible a multi-media approach, and incorporating pollution prevention principles.

Strengthening Community-Based Environmental Protection

In 1998, the Agency will strengthen Community-Based Environmental Protection (CBEP) efforts through targeted geographic initiatives and development of the tools our partners need to make informed, effective decisions in setting their own environmental goals. EPA will support development and implementation of national coastal strategies and transfer lessons learned from established National Estuary Programs to other coastal areas and water bodies. The Chesapeake Bay Program will expand its base of partners to meet ambitious goals that include reducing nutrients entering the Bay by 40% by the year 2000. The Gulf of Mexico Program, through its broad network of partners, will address critical issues in the Gulf ecosystem like hypoxia, shellfish contamination, and habitat loss. EPA's Great Lakes Program will lead federal, state, tribal, local, and industry efforts for Great Lakes protection and restoration.

Assisting States with Total Maximum Daily Loads (TMDLs)

The Clean Water Act requires each state to identify waters, within its boundaries, that do not meet water quality standards after technology-based point source controls are applied. For these waters, states must establish Total Maximum Daily Loads (TMDLs) which allocate how many pollutant loadings are allowed from all point and nonpoint sources in a watershed to meet their water quality standards. In 1998, to satisfy the national need for better tools, the President is requesting an increase of \$8.7 million to enhance EPA's capabilities to directly assist specific states in developing watershed level TMDLs, and, if necessary, assist states by promulgating TMDL rules. EPA will develop specialized TMDL templates and customized watershed tools that states can easily use to quickly develop less-complex TMDLs, allowing

states to then focus on the more complex TMDL court requirements. These tools will be made available to all states to help prevent future litigation or bolster state positions in potential litigation. Finally, these increased resources will also enable EPA to develop and promulgate multi-state TMDLs where needed.

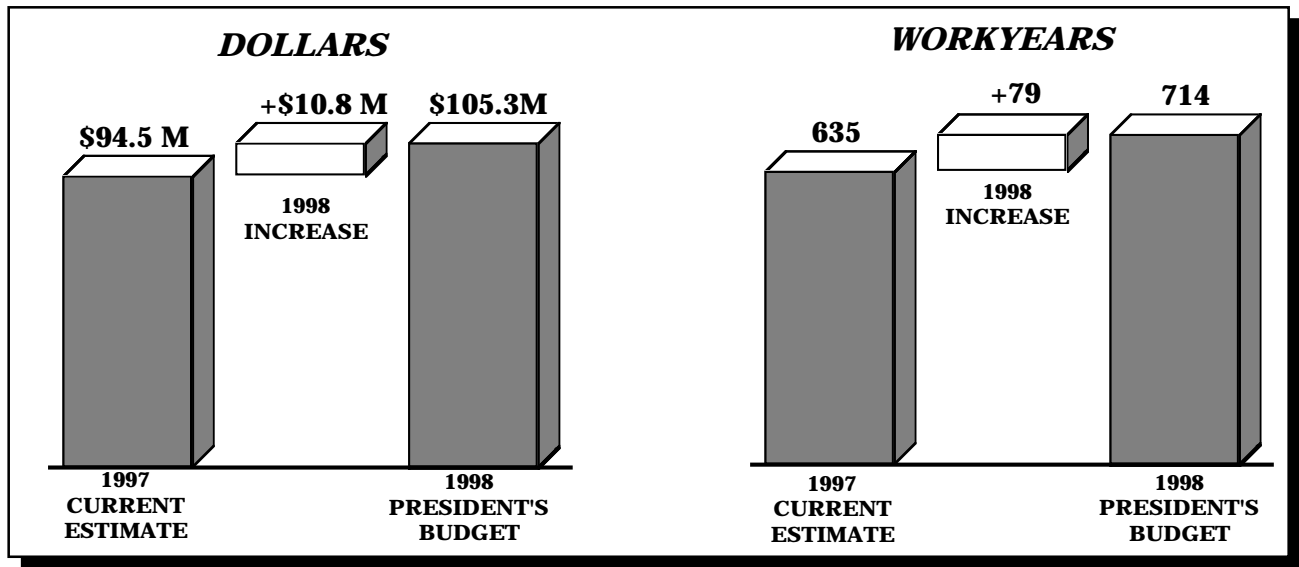
Addressing Nonpoint Sources

In 1998, the Agency is requesting \$5.0 million to increase its support of the President's commitment to bolster ongoing nonpoint source pollution control and prevention programs. The Agency will make program improvements in 1998, including issuing better evaluation criteria for upgraded state programs and working to improve federal-state consistency under NPS programs. In addition, the Agency will accelerate its efforts with states to upgrade their NPS management programs. The Agency will also reinvigorate its public-private partnership efforts designed to encourage the voluntary adoption and implementation of NPS measures by those owners and managers whose day-to-day decisions and actions can result in NPS pollution.

Ensuring Environmental Accountability through Better Compliance

In 1998, EPA will promote a comprehensive approach for Water Quality compliance to ensure environmental accountability in protection of the Nation's waterways. The Water Quality Compliance Monitoring program will continue to concentrate compliance monitoring activities in targeted high risk sectors, ecosystems, and populations. In 1998, the program will convert the Concentrated Animal Feeding Operations (CAFO) pilot initiated in 1997 to a national program initiative. The program will enhance its recently developed place-based targeting approach which was first implemented in 1996. Regions will work with state, local, and tribal partners in identifying stressed and threatened ecosystems in high-risk sectors and geographic areas. The Water Quality Civil Enforcement program will focus targeted enforcement activities towards priority watersheds, troubled waters and protection against sewer overflows.

DRINKING WATER



The Drinking Water program was established to ensure that the nation's public water supplies are free of contaminants that may pose unacceptable human health risks and to protect our ground water resources. The Safe Drinking Water Act (SDWA) creates nationwide safeguards for drinking water and establishes federal enforcement responsibility when necessary. The SDWA Amendments of 1996 increase the ability of EPA, its state regulatory partners, water suppliers, and the public to protect our drinking water by emphasizing prevention, sound science and risk-based priority setting, as well as consumer information.

The 1996 Amendments will bring substantial changes that will address today's problems and assure the sustainable availability of safe drinking water to the 240 million Americans who get their drinking water from public water systems. The Amendments focus on four major areas of change: (1) improving the way EPA sets drinking water safety standards and develops regulations; (2) establishing new prevention approaches, including provisions for operator certification, capacity development, and source water protection; (3) providing better information to consumers; and (4) expanding funding for states and communities to upgrade their public drinking water systems through Drinking Water State Revolving Funds (DW-SRF).

The 1998 President's Budget requests **\$105.3 million** and **714 workyears** for the Agency's Drinking Water program, an increase of

\$10.8 million and 79 workyears over 1997. This amount does not include an additional \$725.0 million for the DW-SRF and \$104.3 million for state and tribal drinking water grants.

HIGHLIGHTS

With the recent passage of the 1996 Amendments to the Safe Drinking Water Act, EPA will focus its resources on implementing the new requirements of the law. This will entail building upon the earlier drinking water reinvention efforts to establish more risk-based drinking water standards as well as conducting source water protection efforts, implementing consumer right-to-know provisions and providing financial assistance to states to help upgrade drinking water systems.

Implementing the New Safe Drinking Water Act

EPA is responding quickly to the new direction for drinking water protection established by the 1996 Amendments to the Safe Drinking Water Act (SDWA). In 1998, the President's Budget requests an increase of \$20.3 million and 70 workyears for all EPA programs to implement the new law of which \$17.9 million and 63 workyears will go to the Office of Water. The 1996 Amendments have reinvigorated the federal/state/local government partnership to help ensure that every American public water system will provide

water that is consistently safe to drink. EPA will publish guidance in 1998 that describes ways to help ensure that water systems have technical, financial, and managerial capacity to comply with drinking water regulations. The new statute also requires EPA to publish national guidelines for state certification programs for operators of public water systems by February 1999. In 1998, EPA will publish a compilation of the major drinking water stakeholders' recommendations on operator certification requirements. Finally, the Drinking Water State Revolving Fund program will assist water systems in financing the capital costs of drinking water infrastructure improvements to achieve or maintain compliance with SDWA requirements.

The 1996 Amendments strengthen the Agency's efforts to protect sources of drinking water. In 1998, EPA will be working with the states to conduct required source water assessments that help determine the vulnerability of each state's sources of drinking water to contamination. The Source Water Protection (SWP) program also emphasizes community-based environmental protection. In 1998, the Agency will expand its efforts with the 55,000 community public water systems that supply drinking water from both surface and groundwater sources. These programs will be coordinated with measures taken to protect and enhance water quality under the Clean Water Act and other Agency programs.

In 1998, EPA will greatly expand consumer awareness activities. The 1996 Amendments direct the Agency to promulgate regulations for an annual right-to-know program for customers of all public water systems. The Agency will be working with the states to ensure that consumer confidence reports are issued.

Protecting Human Health from Contaminants

In 1998, the Agency's highest priority in the Drinking Water program is establishing standards to protect human health from microbiological contaminants and disinfectant/disinfection byproducts (M-DBP). The Agency's long-term endeavor of developing safety standards and regulations that address the risk posed by these contaminants will continue in 1998. EPA will also work with states, water systems

(especially small systems), and equipment suppliers to expand technology choices for treating drinking water and preventing microbial contamination. EPA will assist systems of all sizes in implementing Composite Correction Programs (CCP) to improve filtration performance. The Agency will continue to work with the 300 large drinking water systems implementing the Information Collection Rule (ICR) to collect and analyze occurrence and treatment data.

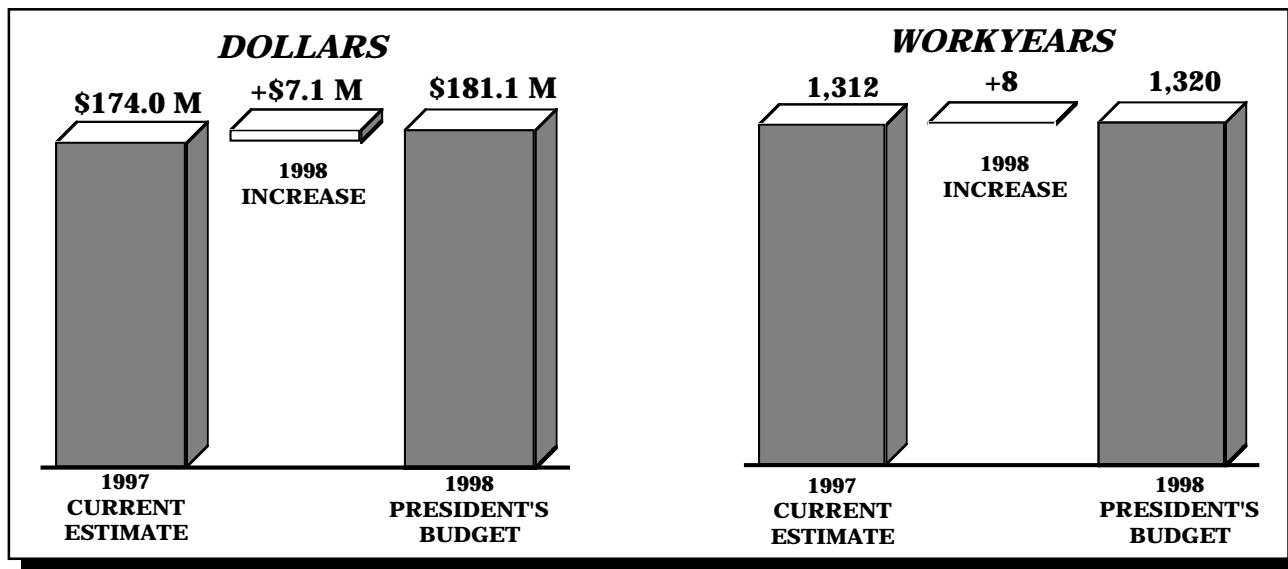
Regulating Underground Injection Wells

In 1998, EPA will promulgate the final rule for Class V underground injection wells. The Agency is requesting an increase in funding of \$0.6 million for this activity. This rule is directed to those states with primary enforcement authority (primacy) for the Underground Injection Control (UIC) program and by EPA in those states without primacy or with partial primacy. The Class V rule applies to the 120,000 shallow, industrial injection wells that exist nationwide. Through its multi-partner effort, EPA will work with local government managers of source water protection programs to incorporate both the implementation of the Class V rule as well as management of other Class V wells, especially storm water and agricultural drainage wells, into their ongoing activities.

Providing Strong Enforcement

EPA is committed to a strong enforcement presence to ensure that drinking water supplies meet SDWA requirements. The Drinking Water Civil Enforcement program will endeavor to protect surface and ground waters, deter underground injection of hazardous pollutants into groundwater, and address the 186,000 public water systems regulated by the SDWA. In 1998, the Drinking Water Compliance Monitoring program will develop compliance monitoring strategies and train inspectors under the recently reauthorized Safe Drinking Water Act. The program will seek to maximize compliance and return violators to compliance as quickly as possible using a variety of enforcement tools. Targeted compliance monitoring and aggressive responses to noncompliance will encourage the regulated community to meet their obligations.

HAZARDOUS WASTE



The manufacturing processes of large and small industries, and everyday domestic consumption, have resulted in an increase in hazardous and municipal solid wastes. Last year the Nation generated approximately 210 million tons of municipal solid wastes, averaging 4.4 pounds per person per day. Improper waste disposal practices can cause environmental and public health problems. The Hazardous Waste program was established to meet the overall goal of proper prevention, management and disposal of hazardous and municipal solid wastes generated nationwide.

The Resource Conservation and Recovery Act (RCRA) of 1976, as amended by the Hazardous and Solid Waste Amendments (HSWA) of 1984, provides the legislative mandate to ensure safe management and disposal of solid and hazardous wastes, minimize the generation of new wastes, and prevent and detect the leakage from underground storage tanks (UST). Under the RCRA program, EPA has worked with state and local partners to establish regulations, national policies and provide guidance for regulated entities. These regulated entities include those who generate, treat, store, or dispose of waste. The Emergency Planning and Community Right-to-Know Act, Title III of the Superfund Amendments and Reauthorization Act of 1986, established guidelines to address risks posed by hazardous chemicals in communities.

The 1998 President's Budget requests **\$181.1 million** and **1,320 workyears** for the Hazardous Waste program, an increase of \$7.1 million and 8 workyears over 1997. In the regulatory area, the Hazardous Waste program will emphasize the establishment of national waste management standards that match requirements more closely to risk. The program will also improve the scientific basis for decisions relevant to the disposal of wastes. Another Agency focus is increased and wider involvement in environmental protection. For example, the Agency will strengthen the participation of communities in the cleanup decision-making process. Training and direct technical assistance will help tribal governments become more active in improving the safety of their waste management programs.

HIGHLIGHTS

In 1998, the Agency will continue to assist states and tribal governments in establishing and maintaining efficient and effective hazardous waste programs through an emphasis on risk reduction and regulatory reinvention. The Agency will develop new environmental indicators and improve public access to information through the President's environmental commitment made in Kalamazoo, Michigan to the Right-to-Know Initiative. EPA will also provide cities with solutions for reducing environmental barriers for the renewal of contaminated properties, by

providing support to the Urban Livability Initiative.

Strengthening the National RCRA Program Through Regulatory Reinvention

The 1998 President's Budget requests \$63.9 million and 283 workyears to support the hazardous waste regulatory program, an increase of \$2.5 million and three workyears over 1997. The Agency will continue to protect human health and the environment from the effects of uncontrolled exposure to hazardous and solid wastes.

The President's environmental commitment made in the Right-to-Know Initiative will provide the public with better access to environmental information. The RCRA program efforts on this initiative will focus on informing the public of waste-site risks. The Agency will also develop enhanced environmental indicators for the public to monitor environmental impacts as well as health effects and integrate them into the existing public information system.

In 1998, the Agency will expand the Urban Livability Initiative. This program will provide cities with the tools and information needed to develop community-based responses for renewing contaminated properties. The program will also assist communities in correcting environmental barriers to redevelopment of these properties. In the RCRA program, the Urban Livability Initiative will expand successful small business pilot projects in waste minimization outreach that coordinate pollution prevention goals across media.

RCRA reinvention efforts aim to fundamentally change the way RCRA is managed and implemented. Fundamental changes will be made by simplifying definitions and implementation procedures, and by achieving a greater match between the level of risk and the management standards imposed. Utilizing recent scientific information to re-examine RCRA program definitions will eliminate unnecessary requirements as well as identify gaps in environmental protection. The implementation of recommendations made by the Permit Improvement Team (PIT) will be emphasized in order to reduce regulatory burden and costs for industry and the Agency. These PIT

recommendations include general permits for lower-risk facilities and a possible electronic or paperless permit.

As part of the Common Sense Initiative, the RCRA program will explore solutions and alternatives in the metal plating and electronics sector. By 1998, RCRA will complete a benchmark study of metal finishing sludges which will provide the basis for the consideration of alternatives for optimizing recycling in the industry.

Implementing Hazardous and Solid Waste Policy

The 1998 President's Budget requests \$63.1 million and 546 workyears to support the implementation of the regional RCRA program, an increase of \$2.6 million and ten workyears over 1997. As part of the Agency's efforts to put decision-making in the hands of those closest to the problems, EPA will continue to form partnerships with state, local, and tribal governments and integrate the community-based approach to environmental protection. Permitting, corrective actions, and waste minimization will also continue to be important priorities of the Agency.

The RCRA program will continue to offer technical assistance and support to the states. To assist in implementation, the Agency will develop work-sharing agreements and provide site-specific technical assistance. The Agency will also continue assisting states in innovative customer service pilot programs (e.g. in one pilot, a group of permitting specialists has been formed that will, at a state's request, assist in eliminating permitting backlogs). In 1998, the Agency will continue to provide valuable information to states for implementing the RCRA program.

The RCRA program will continue to explore other practical implementation improvements through participation in XL projects. These projects will build on the willingness of facilities and generators to achieve superior environmental performance while finding alternative, often less expensive, methods of preventing hazardous releases.

Permitting activities, which are a key pollution prevention method, will continue to be

a high priority of the Agency. One of the significant areas for permitting efforts will be the chemical demilitarization program, which is a priority for risk reduction. Through a continuing corrective action program, the Agency will ensure cleanups of hazardous spills or releases at operating facilities are conducted appropriately. The 1998 President's request will help to address the corrective action backlog of high and medium risk facilities that remains to be addressed. Waste minimization efforts such as the Jobs Through Recycling and the WasteWiSe program will maintain support for local ventures that improve the market for recycled and recyclable materials.

Promoting Sound Management Practices for Underground Storage Tanks

The 1998 President's Budget requests a total of \$6.7 million and 57 workyears to support the prevention, detection and correction of releases from underground storage tanks, an increase of \$419,600 from 1997. EPA will support compliance with the 1998 deadline for upgrading, replacing or closing tanks; support the Agency's Private Sector Initiative to prevent another generation of leaking tanks; and continue to work with states to obtain state program approval, as well as tribal and state implementation support.

Improving Local Level Accident Prevention and Planning, and Conducting Accident Investigations

The 1998 President's Budget requests a total of \$13.8 million and 74 workyears to support the Emergency Planning and Community Right-to-Know Act (EPCRA) program. In 1998, the Agency will concentrate the program's efforts in three areas: implementing state and local chemical accident risk management prevention programs; continuing to assist industries in meeting risk management plan requirements; and conducting joint EPA/OSHA accident investigations of major facility chemical accidents.

Under the auspices of the Clean Air Act, EPA recently completed the Risk Management Plan (RMP) rule. In 1998, EPA will concentrate on working with states in the implementation of their accidental release prevention programs. By getting states to operate a program, they will be

prepared to receive individual risk management plans that will be submitted by facilities in 1999.

In 1998 the Agency will also support the RMP effort by providing technical assistance, guidance, outreach and training to individual facilities required to develop individual risk management plans. EPA will also ensure that information on the RMP program is made available electronically, through small business networks and the EPCRA Hotline.

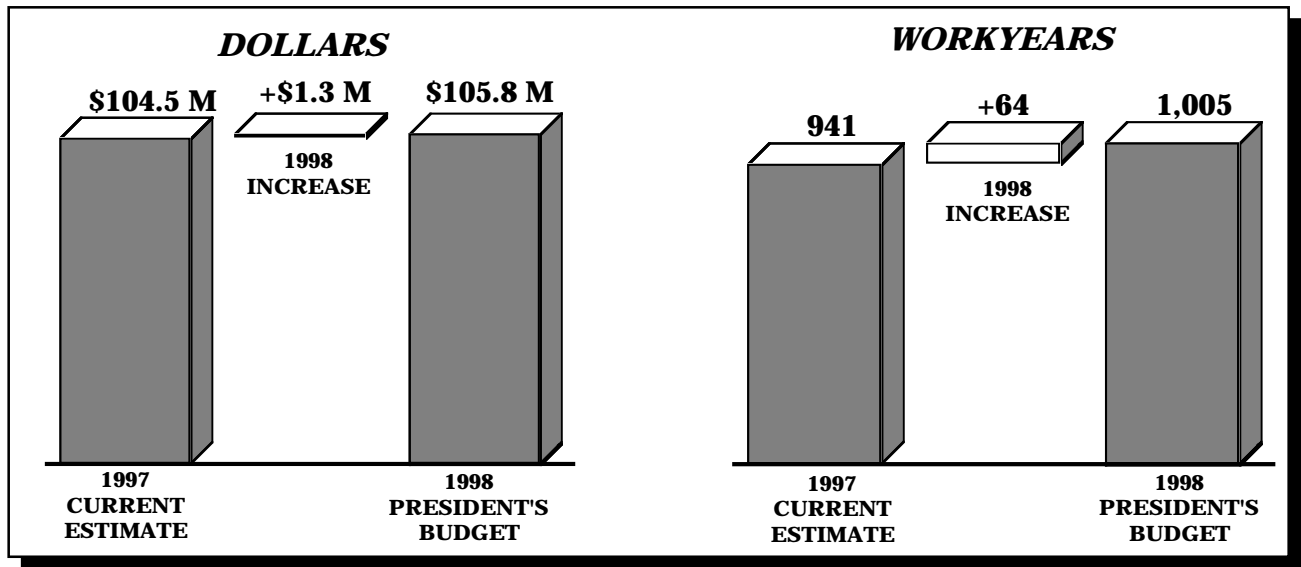
Accident investigations of major facility chemical accidents will be conducted by the EPA and the Occupational Safety and Health Administration (OSHA) to determine cause and issue recommendations to enhance chemical safety at individual facilities as well as industrywide. To prevent future accidents, activities in 1998 will focus on the exchange of information between stakeholders. EPA and OSHA will also support an external expert panel to review accident investigation reports and make additional recommendations for future prevention and safety efforts.

Focusing Enforcement Activities on Higher Risks

The 1998 President's Budget requests \$33.1 million and 353 workyears to support the Hazardous Waste Enforcement program, an increase of \$1.0 million and a decrease of four workyears from 1997. Compliance monitoring efforts will enhance and complement state efforts as the states increasingly assume the responsibility for the bulk of the mandated inspection and enforcement work. The program will direct its compliance monitoring activities in 1998 toward reducing risks from priority industry sectors such as petroleum refining and primary non-ferrous metals.

The Hazardous Waste Civil Enforcement program will continue to prevent and reduce pollution from high-risk hazardous wastes through activities targeted toward combustion facilities, fuel burners and generators who are out of compliance. The Agency will also implement enforcement of labeling and transportation requirements associated with the Battery Recycling Act to ensure proper disposal of batteries containing heavy metals.

PESTICIDES



Pesticides are used in a remarkably diverse array of products, such as insect repellents, crop weed killers, household and commercial disinfectants, and swimming pool chemicals. They are found and used in nearly every home and business in the United States. They are designed to be intentionally applied in the environment rather than occurring as a byproduct of industry or other human activity. The uses of pesticides in the United States contribute to increased and diversified agricultural production and improved public health through the control of disease-carrying pests. However, acute and chronic human health and environmental risks can be associated with the use of many of these chemicals. EPA, therefore, is responsible for balancing the 'risks' to the Nation's public health and environment with the 'benefits' posed from the use of pesticides.

The Pesticides program derives its statutory authority from the Federal Insecticide, Fungicide and Rodenticide Act (FIFRA), Federal Food, Drug, and Cosmetic Act (FFDCA), and the Food Quality and Protection Act (FQPA). These laws prescribe the criteria for Agency decisions on registration of new pesticide products or reregistration of existing pesticide products. Registration and reregistration decisions prescribe permissible uses, conditions for application, levels of residues permissible on or in foods, and other measures designed to ensure that the pesticide when used as directed will not pose an unacceptable risk to public health and the environment.

The 1998 President's Budget requests **\$105.8 million** and **1,005 workyears** for the Pesticides program. This is an increase of \$1.3 million and 64 workyears over 1997. Included in this net change is a \$10.2 million reduction for the Pesticide Data program which is being funded by the United States Department of Agriculture in 1998 and an offsetting increase for the new FQPA (+\$7.1 million and 58 workyears). To implement the new FQPA, EPA will reassess existing pesticide tolerances, streamline reviews of safer pesticides, and review pesticide registrations for new health concerns such as endocrine disruptors. This program will continue to reduce risks from adverse exposures to pesticides on and in food and the workplace and prevent pollution by encouraging the use of new, safer nonchemical pesticides.

HIGHLIGHTS

In 1998, the Administration will continue to improve the safety of America's food supply by registering new pesticides, reregistering existing pesticides, setting and reviewing tolerance levels for pesticide residues found on and in food commodities, and taking actions on those pesticides with adverse risks. With the passage of the new FQPA of 1996, EPA is investing in the Pesticides program to strengthen its ability to ensure safer pesticides. Complimenting these investments will be a new initiative, 'Assessing Health Risks to Children,' designed to improve

food consumption data on infants and children for purposes of assessing and managing the risks from pesticides. Additional resources will support the President's Right-to-Know Initiative that improves the amount, quality, and access to public information on public health and environmental risks from pesticides. EPA will also increase support for state groundwater plans to protect our Nation's groundwater from pesticide contamination.

Focusing on New Statutory (FQPA) Requirements

The 1998 President's Budget requests a total increase of \$16.1 million and 71 workyears for all programs to implement the new Food Quality Protection Act (FQPA) of 1996. Of this total 1998 increase, \$7.1 million and 58 workyears are requested for the Office of Pesticides programs. In 1997 an increase for all programs of \$16.2 million was appropriated and EPA redirected from its base a total of \$2.7 million to implement the FQPA. Increased funding in 1998 will support the reassessment of the 9,000 pesticide tolerances within ten years and an accelerated reregistration of existing pesticides. EPA will also develop new streamlined regulatory review processes and information systems for antimicrobial pesticides. EPA will also collect new information and develop new tools useful to screen and evaluate pesticides suspected of adversely disrupting human endocrine systems. EPA will streamline the reviews of safe, less toxic pesticides and encourage reduced usage of existing chemical pesticides. Finally, EPA will develop and distribute more useful information to the public to inform them about the risks posed from adverse pesticide exposures.

Improving Data to Assess Health Risks to Children

In 1998, increased emphasis in the Pesticides program will be placed on improving the federal government's information on the dietary habits of infants and children. This emphasis responds to concerns raised in the 1993 National Academy of Science report about pesticides found in children's diets. The 1998 President's Budget requests a total of \$1.5 million, which is an increase of \$1.0 million over 1997, to

evaluate current risk assessment protocols and methods so they can take into account unique multi-pathway exposures of children. This new Agency initiative called 'Assessing Health Risks to Children' is being coordinated and carried out with other Agency offices to improve food consumption data on infants and children. These risk assessments then can be used to assess national public health and environmental standards to ensure that they adequately address risks to children's health.

Supporting President's Commitment on Right-to-Know Initiative

EPA will support the President's commitment, made in August 1996 in Kalamazoo, Michigan, to communities' right-to-know by expanding the type and quality of information available to the public about the hazards and benefits of pesticides. The 1998 President's Budget requests a total of \$0.7 million, which is an increase of \$0.7 million over 1997. The Pesticides program will expand public access to information on health and environmental risks from pesticides. In addition, EPA will work with other EPA programs and federal agencies to improve public access to pesticide hazard information.

Supporting State Groundwater Plans

Groundwater is the source of drinking water for about half the United States population and because it flows into lakes and rivers, groundwater helps support fish and wildlife habitats and commercial activity. EPA's pesticide groundwater strategy is based on a cooperative effort with the states and EPA regions to develop State Management Plans to prevent groundwater pollution from pesticides. Starting in 1998, states will develop pesticide-specific groundwater protection management plans. The 1998 President's Budget requests a total of \$2.1 million, which is an increase of \$0.4 million over 1997, to provide guidance and technical assistance to the states especially in identifying vulnerable areas for monitoring. Mapping groundwater flows and determining the conditions of groundwater aquifers will be the focus for state management groundwater plans in 1998.

Focusing on Pesticide Enforcement

The 1998 President's Budget requests \$4.7 million and 68 workyears for the Pesticides Enforcement program. This is an increase of \$1.3 million and eight workyears over 1997. The Pesticides Compliance Monitoring program will seek environmental accountability of pesticide use and help build the capacity of states and tribal governments to protect public health and safety from pesticide misuse. This program will continue to manage the state pesticide enforcement cooperative agreement program and continue to encourage participation of state and tribal governments not currently involved in the program. This program will also conduct inspections in states without pesticide enforcement cooperative agreements. In 1998, these inspections will include import/export inspections to address "circle of poison" concerns.

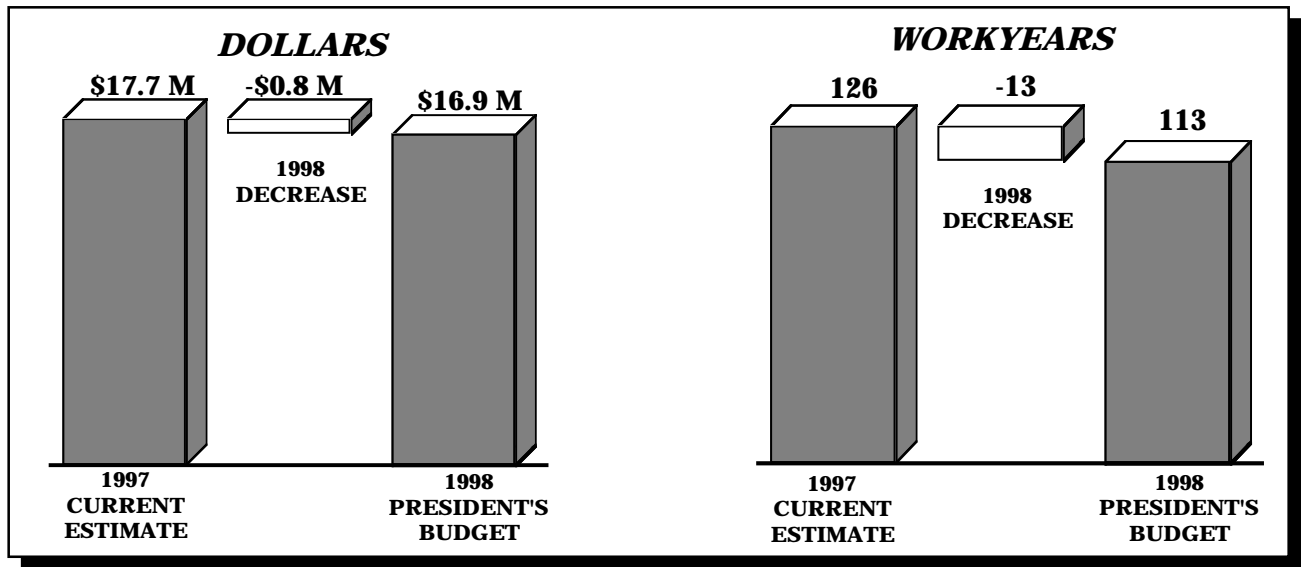
The Pesticides Civil Enforcement program will continue to protect our Nation's children, homes and workplaces against ineffective/unregistered pesticides and

pesticides misuse. Enforcement efforts will focus on ensuring compliance with pesticide registration and efficacy requirements of antimicrobials used in disinfection of critical care areas, such as hospital operating and emergency rooms. About 70% of hospital sterilants and 800 hospital disinfectants registered by EPA have failed recent testing for effectiveness. The Agency will also focus on urban areas where indoor use of pesticides has caused health concerns. Finally, EPA will continue to enforce Pesticide Worker Protection Standards.

Focusing on Pesticide User Fees

In 1998, EPA will work to implement user fees for pesticide registration and reregistration activities as directed by FIFRA and FQPA. Ten years ago, Congress suspended Pesticide Registration fees through 1997. EPA will work to reinstate these fees in 1998. EPA expects to collect \$18 million in Tolerance and Pesticide Reregistration fees.

RADIATION



Radioactive materials are used or stored at thousands of federal facilities, over 100 nuclear reactors, and many thousands of other locations. EPA guidance and standards for the cleanup and management of radioactive materials will ensure that the federal government does not spend billions of dollars in unnecessary cleanup costs. Another key component of the radiation program is EPA's oversight of the Department of Energy's (DoE) operation of the Waste Isolation Pilot Plant (WIPP), a planned radioactive waste disposal site.

The EPA program to address radiation issues is derived from a number of statutes. These include the Clean Air Act of 1990, the Waste Isolation Pilot Plant (WIPP) and Land Withdrawal Act, the Energy Policy Act of 1992, the Atomic Energy Act, the Uranium Mill Tailings Radiation Control Act, and the Superfund Amendments and Reauthorization Act of 1986.

The President's Budget requests a total of **\$16.9 million** and **113 workyears** in 1998 in the Radiation media under the EPM account. The 1998 request for the Radiation media does not include \$210 thousand and two workyears the Agency is requesting under the Science and Technology appropriation in 1998, rather than the EPM appropriation as in the past. Considering the amount requested in the S&T account, funding levels increase by \$209 thousand from 1997, and workyears decrease by 11. The four major program

objectives established for the Agency's radiation programs include: reducing adverse health effects from radiation exposure through a program of standards and guidelines; assessing and quantifying existing and emerging radiation problems and their potential impacts on health and the environment; responding to radiation issues of serious public concern; and responding to emergencies, if needed, and development and testing of federal, state and local plans for emergency response.

HIGHLIGHTS

Overseeing DOE Waste Disposal at the Waste Isolation Pilot Project

The WIPP is a disposal site in New Mexico for high-level waste from the production of nuclear weapons. Under the Waste Isolation Pilot Plant and Land Withdrawal Act of 1992, EPA has certification and oversight responsibilities for DoE's waste disposal activities at the WIPP. EPA is currently reviewing DoE's application for completeness as well as conducting technical analyses and studies. The Agency expects to complete its review in June 1997. Public hearings and stakeholder meetings are currently being held. The final certification process, which should be complete by November 1997, will include technical analyses, and more public hearings and stakeholder meetings.

If the Agency grants certification to the WIPP in 1997, during 1998 EPA will continue to conduct audits and inspections of the WIPP site and DOE's radioactive waste generator sites to assess implementation of procedures as waste generator sites come on-line and prepare to transport waste to the WIPP. The President's Budget requests \$5.4 million and 26 total workyears for the Waste Isolation Pilot Plant program, nearly no change in requested funding and a decrease of one workyear from 1997.

Cleaning up Federal Facilities

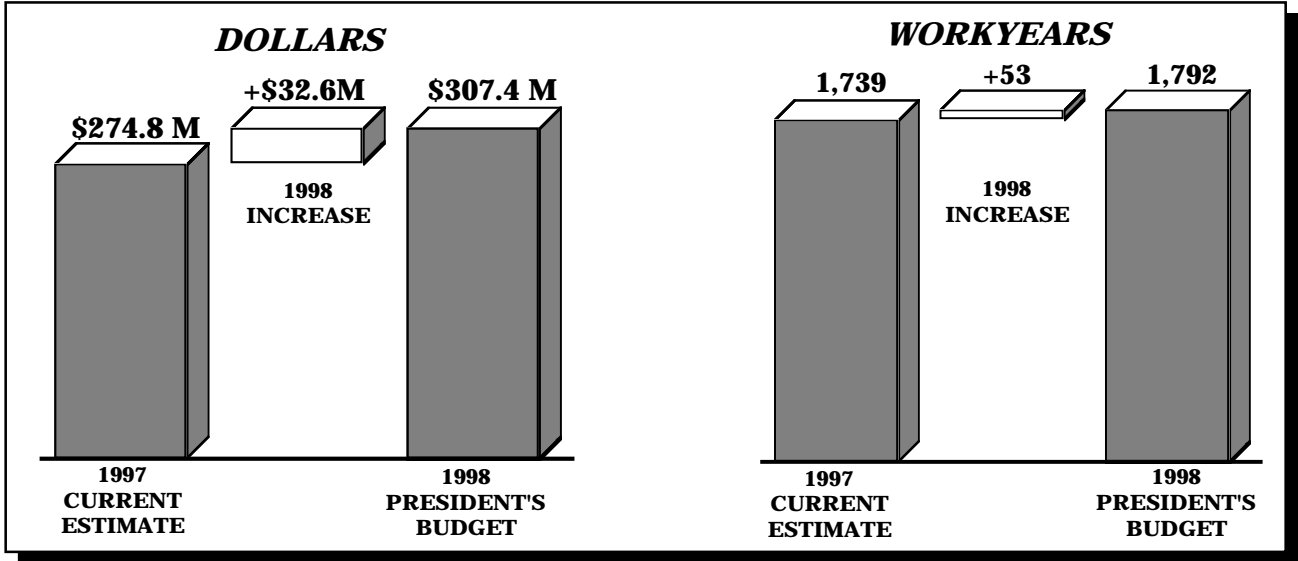
The President's Budget requests \$4.0 million and 18 workyears for addressing radiation cleanup at federal facilities in 1998. This is nearly no change in requested funding levels from 1997, and a decrease of 3 from 1997 workyear levels. There are approximately 250 Federally owned sites in the U.S. that are contaminated with radioactive materials. These sites include nuclear material production plants, bombing and gunnery ranges contaminated with depleted uranium, and laboratories. The radioactive contamination at these sites ranges from small, slightly contaminated laboratory rooms to very large, highly contaminated facilities. A significant challenge in cleaning up such sites is the high cost of managing radioactive waste, due in part to the limited number of disposal facilities for low-level radioactive waste.

EPA will also continue to provide coordination, oversight, and technical support to ensure that radioactively contaminated Federal facilities are cleaned up and waste disposed consistent with EPA risk levels. This effort is composed of two primary elements, (1) development of overall guidance that is applicable to all Federal facility sites and (2) investigation of alternate disposal options for low-level radioactive waste generated primarily from clean-up of Federal facilities.

Supporting Emergency Preparedness

As part of its emergency preparedness efforts and the Agency environmental goal for preventing accidental releases, EPA will continue its classroom and field training programs to maintain and improve the capabilities of the EPA Radiological Emergency Response Team. The Agency will also continue to coordinate with other Federal agencies and the international community on formal agreements dealing with communications, coordination of response efforts, and mutual assistance for responding to emergencies and the potential of terrorist events involving radioactive materials. The President's Budget requests \$1.1 million and 12 total workyears for the emergency preparedness efforts, an increase of \$563 thousand and seven workyears over 1997.

MULTIMEDIA



Traditional single-media responses to environmental problems have brought the Nation a long way from burning rivers and smog choked skies. But today's environmental challenges are increasingly complex and difficult to address. The Agency is developing multimedia approaches which emphasize comprehensive solutions by targeting entire ecosystems, working across media and addressing whole industrial sectors and communities. These multimedia activities are carried out through the efforts of the Office of Enforcement and Compliance Assurance; the American Indian Environmental Office; the Office of International Activities; the Office of the Administrator; the Office of Policy, Planning and Evaluation; the Office of Prevention, Pesticides and Toxic Substances; the Office of General Counsel and the Executive Steering Committee for Information Resources Management.

The Enforcement program balances traditional enforcement actions targeting serious polluters with new multimedia inspection techniques, sector-based compliance assistance efforts to help the regulated community understand its responsibilities, and compliance incentives such as Project XL and the Environmental Leadership Program. In addition, Agency activities foster pollution prevention through dissemination of information and support of state and local prevention efforts, and instill an environmental ethic in youth, educators, activists and decision-makers through environmental

education. The Agency provides technical assistance and grants to Tribes and continues to address environmental issues facing communities along the US-Mexico Border.

In 1998, EPA requests a total of **\$307.4 million** and **1,792 workyears** for Multimedia programs. This represents an increase of \$32.6 million and 53 workyears from 1997.

HIGHLIGHTS

Improving Environmental Protection in Tribal Lands

In 1998, EPA will continue to develop government-to-government relations with tribes in fulfillment of the Federal government's statutory and trust responsibilities and expand program support to assist tribal governments in developing their own environment programs. EPA's American Indian Environmental Office (AIEO) will assist over 500 tribal governments to identify and address areas of greatest risk and priority to public health and the environment in Indian Country. The AIEO will continue to assist tribes in addressing multimedia environmental issues through the following activities: 1) developing Tribal/EPA Environmental Agreements (TEAs) to assess environmental conditions and identify long and short-term priorities for environmental management on tribal

lands; and 2) providing outreach, training and education to better assist tribes in developing their environmental assessment and management capabilities.

Balancing Effective Enforcement Actions with Compliance Assistance and Incentives

The 1998 President's Budget requests \$124.9 million and 1,093 workyears under the EPM appropriation for the Multimedia Enforcement program, an increase of \$7.6 million and 48 workyears over 1997. The program will balance traditional activities such as compliance monitoring, civil enforcement and criminal enforcement actions with compliance assistance and compliance incentives.

In 1998, the Multimedia Enforcement program will increase funding by \$3.2 million and 21 workyears for additional criminal investigators mandated by the Pollution Prosecution Act. The program will also increase funds for implementation of the Agency's self-audit policy as a way of achieving greater compliance levels at lower cost to the public and private sectors. The Multimedia Enforcement program will continue important reinvention projects such as CSI, Project XL, and the Environmental Leadership Program (ELP), with additional resources targeted for XL and ELP.

In addition, the Agency is requesting \$1.0 million in 1998 for the President's commitment on Environmental Crimes and Enforcement made in Kalamazoo. These resources will support the urgent need expressed by state, local, and tribal officials for additional Federal training in the investigation of environmental crimes.

The Multimedia Enforcement program will work with other Federal agencies to improve their compliance with environmental requirements. The Agency will work with other Federal agencies to achieve national environmental goals and increase pollution prevention by identifying and either eliminating or mitigating the potential adverse environmental impacts of proposed actions. The Agency will also target efforts to strengthen policies and reviews relevant to the protection of ecological resources.

Resolving Environmental Problems at the Community Level

The 1998 President's Budget requests \$25.4 million and 23 workyears for multimedia program activities in the Office of the Administrator. This is a decrease of \$1.6 million and 6 workyears from 1997. The 1998 Budget includes \$12.9 million for the Regional Multi-Media Program. Under this program, funding will be provided for projects that are identified as high priority by EPA Regions, states, and localities, pose high human health or ecosystem risks, and have significant potential for risk reduction. The problems addressed by this program are multimedia in nature and the initiatives showcase innovative multimedia solutions to resolve them.

Additionally, the Agency's environmental education program fosters educational partnerships among government, business, academic institutions, and community groups to both improve basic science literacy and inform the general public about the environmental consequences of their individual and collective actions. The 1998 budget requests \$6.2 million and 9.7 workyears for this effort. These investments demonstrates the Administration's commitment to help local governments and public citizens resolve environmental problems in their communities.

Protecting U.S. Interests and Upholding International Agreements

The 1998 President's Budget requests \$2.7 million and 13 workyears for multimedia activities of the Office of International Activities (OIA). This represents an increase of \$0.1 million and one workyear over 1997. In 1998, OIA efforts will focus on implementing the Border XXI Program. The Border XXI Program is designed to resolve the complex, multi-media environmental problems facing communities along the U.S.-Mexican border. This program funds community grants, emphasizes public participation, and promotes sustainable development. These efforts will be supported by the operation of two border offices in the cities of San Diego, California and El Paso, Texas. Both

offices play important roles in coordinating EPA activities with the International Boundary and Water Commission, the Pan American Health Organization, the Border Environmental Cooperation Commission, and the North American Development Bank.

Promoting Multimedia Policy Development, Economics, and Program Implementation

The 1998 President's Budget requests \$64.9 million and 228 workyears for multimedia programs managed by the Office of Policy, Planning and Evaluation. This represents an increase of \$14.7 million and a decrease of 3 workyears from 1997.

In 1998, the budget provides OPPE \$35.3 million and 33 workyears to continue the implementation of the President's Climate Change Action Plan (CCAP). This represents an increase of \$14.8 million over 1997, with no change in workyears and demonstrates a continued commitment to address the buildup of greenhouse gases in the atmosphere. Funds requested in the 1998 budget will allow OPPE to continue to implement partnership and capacity building programs. The Climate Wise, Waste WiSe and Transportation Partners program work directly with industry to identify and implement cost-effective emissions reductions. Funding of other CCAP activities positions OPPE to develop low-cost emissions reduction opportunities internationally. The Country Studies program will expand assistance to ten additional developing countries in implementing their international commitments under the Framework Convention on Climate Change. The U.S. Initiative on Joint Implementation will continue to support high quality projects with U.S. companies and developing countries while increasing the diversity of sectors, technologies, and world regions covered. The State and Local Outreach program will work with additional states and cities in conducting greenhouse gas emissions inventories, developing outreach programs, and implementing demonstration programs.

In 1998, OPPE is also provided \$4.2 million and 38 workyears for Project XL. Project XL is a centerpiece of the Administration's commitment to reinvent environmental

regulation. Project XL resources will support technical analysis for project selection, the management of the XL selection process, participation in the XL selection process, and independent evaluation of the program. This program is an integral step in EPA's attempts to craft new approaches to environmental protection for the 21st century.

OPPE will continue to focus on sprawl and development issues, implementing the Smart Growth Network in 1998. The network will concentrate on transportation and development sectors and create coalitions at the national, regional, and local levels to encourage more environmentally responsible land use, transportation investment, regional growth and development. In 1998, \$1.3 million and 12 workyears are allocated to this effort to address sprawl and development, an increase of \$0.2 million and one workyear over 1997. OPPE will also continue support of other EPA regulatory reinvention efforts. Through its regulatory management activities, OPPE will continue to improve the Agency's rulemaking process, promoting compliance with Executive Order 12866 that adequate risk and benefit/cost analysis lie behind the Agency's most significant regulatory actions. Finally, three additional workyears are provided in 1998 for implementation activities associated with the Small Business Regulatory Enforcement Fairness Act.

Investing in Strategic Information Resources Management

The 1998 President's Budget requests a total of \$34.6 million and 10 workyears for the Executive Steering Committee for Information Resources Management (ESC). This is an increase of \$5.0 million and 2 workyears from 1997. In 1998 the ESC will provide the overall leadership and coordination needed to implement the President's environmental commitment that was made in Kalamazoo, Michigan, on America's Right-to-Know. The ESC will provide the framework for making right-to-know information available to families and communities. It will develop the infrastructure and foundation that brings together the data, information, and applications that help families in assessing and avoiding unique environmental health risks to

children from products and chemicals. The ESC, working with the Agency's other program efforts, will develop applications to use and display and create products with the data and information.

The ESC will also redirect \$2.0 million of its base resources to implement computer system modifications designed to address issues associated with the upcoming date change to the Year 2000. This supplements other resources being devoted to the Year 2000 problem. Additionally, the ESC will continue with its community-based environmental protection effort that provides easy access to environmental information for state and local governments to allow them to act on local issues and protect ecosystems.

Increasing Legal Support Services

The 1998 President's Budget requests \$29.7 million and 299 workyears under the multimedia program to provide legal advice and assistance to both Headquarters and Regional managers. This is an increase of \$2.9 million and 17 workyears over 1997. In 1998 the General Counsel will focus new resources on providing legal support and assistance to the Agency in its implementation of the amended Safe Drinking Water Act and the Food Quality Protection Act. In addition, the General Counsel will provide additional legal support and advice in a number of program areas with complex legal and factual issues. These include programs involving Tribal environmental programs, programs designed to improve urban air quality, and programs to develop total maximum daily loads (TMDLs) for pollutants in waters that do not meet water quality standards.

Promoting Pollution Prevention

The Agency requests a total of \$17.5 million and 84 workyears for the multimedia Pollution Prevention program. This is an increase of \$6.6 million and 2 workers from 1997. With the principle of pollution prevention institutionalized within the Agency since the Pollution Prevention Act of 1990, EPA is expanding its efforts to establish pollution prevention as the strategy of first choice in addressing human health and

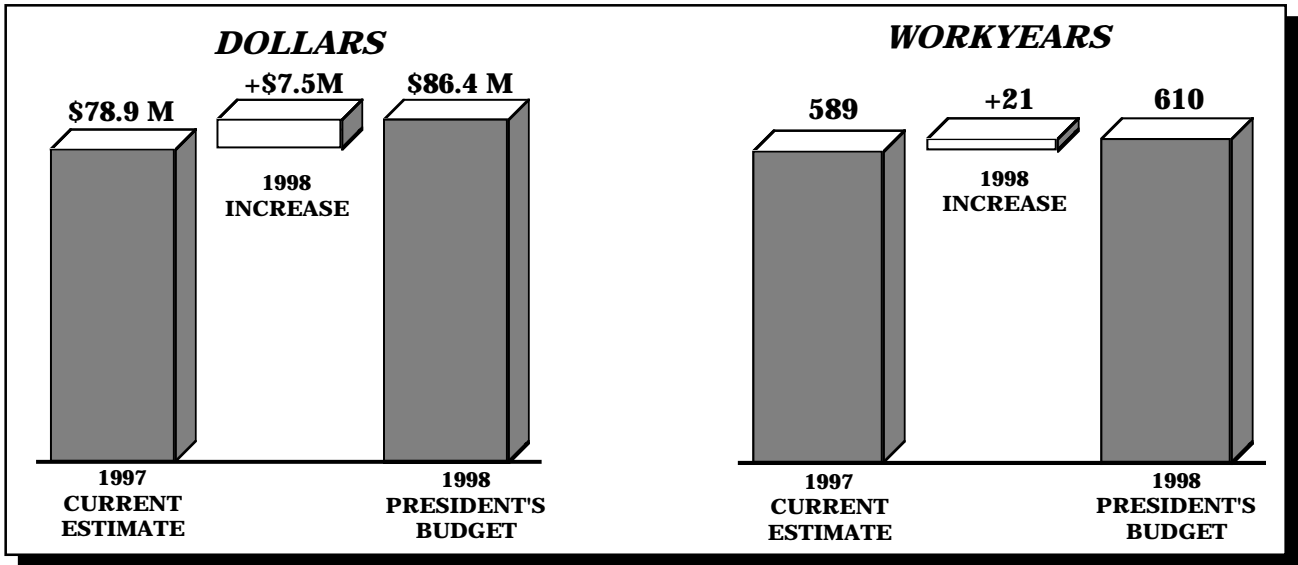
environmental concerns. Working cooperatively with the industry to build the principle of pollution prevention into their design of chemicals and products, EPA's will expand its 'Design for the Environment' program by \$4 million. Recognizing that pollution disproportionately affects communities, EPA will also increase by \$2 million its Pollution Prevention/Environmental Justice Grants designed to assist local communities address their unique environmental problems. Finally, EPA is expanding its support with the private sector through Pollution Prevention Partnerships. Under these Partnerships, EPA will help companies identify and capitalize on pollution prevention opportunities within their businesses.

In 1998, the Pollution Prevention program will continue to promote pollution prevention within the public and private sectors. Within EPA, the program will continue to integrate pollution prevention options into key air, water, and solid waste rulemakings. For small businesses, states, and local governments, EPA will continue to provide technical assistance and support pollution prevention demonstration projects. The Agency will continue to work with industry in the Voluntary Industrial Toxics Reduction program. The effort builds on the successful 33/50 Program with a new program to encourage further voluntary reductions in the production, emission, and use of toxic chemicals. Finally, EPA will help industry identify incentives and barriers to pollution prevention practices.

Ensuring Environmental Justice

The 1998 President's Budget requests \$3.5 million and 11 workyears for the National Environmental Justice program, an increase of \$0.1 million over 1997. The National program, distinct from the environmental justice activities in each EPA office, will continue to coordinate the Agency's environmental justice programs. The program will support the National Environmental Justice Advisory Council which advises the Administrator on environmental problems in low income and minority communities. The program will also fund grants to community groups and universities to address environmental justice issues.

TOXIC SUBSTANCES



Americans and our environment are exposed each year to many chemical substances and mixtures. The United States chemical industry manufactures or imports more than 50,000 commercial chemicals annually. Each year the chemical industry adds approximately 2,200 new chemicals to this list of existing chemicals. Some of these chemicals in manufacture, use, or disposal may present an unreasonable risk of injury to public health or the environment. Accordingly, Congress has charged EPA with protecting the public and the environment from unreasonable risks associated with the manufacture, use, and disposal of all commercial toxic chemicals.

The Toxic Substances Program is governed by five major statutes that emphasize the prevention or elimination of unreasonable risks to public health and the environment from exposures to toxic chemicals. The statutes are the Toxic Substances Control Act (TSCA), Asbestos School Hazard Abatement Act, Asbestos Hazard Emergency Response Act, Emergency Preparedness and Community Right-to-Know Act (EPCRA), and the Residential Lead-based Paint Hazard Reduction Act.

The 1998 President's Budget requests **\$86.4 million** and **610 workyears** for the Toxic Substances program. This is an increase of \$7.5 million and 21 workyears from 1997. The Toxic Substances program in 1998 proposes investments to protect our Nation's children from chemicals of

national concern, such as lead and PCBs. It will also expand public access to information about toxic chemicals through new investments including the President's Right-to-Know Initiative.

HIGHLIGHTS

In 1998, the Toxic Substances Program proposes investments to increase every American's right-to-know access to information about toxic chemical pollution in their communities. Other investments will build partnerships between government and industry by sharing information, knowledge, and tools and to provide incentives for industry to protect the environment. This program will further EPA's commitment to improve the quality of science by investing in testing chemicals for endocrine disruptors, a new area of human health concern. This program will also reform PCB regulations and save billions of dollars in PCB disposal costs while maintaining the current level of environmental protection. EPA will also continue to provide its technical expertise and financial support to local communities, states, and tribal governments.

Expanding Communities' Right-to-Know

The 1998 President's Budget requests \$27.4 million and 120 workyears for the Community Right-to-Know program. This

includes the President's Right-to-Know Initiative, announced in Kalamazoo, Michigan last year, to improve the quality and access of information to the public about toxic chemicals. This is an increase of \$2.3 million and 6 workyears from 1997. The Toxics Release Inventory (TRI) Program will continue to expand the list of chemicals reported for the TRI to include groups of chemicals such as persistent bioaccumulators. It will also continue expanding the industrial groups and facilities that EPA requires to report about chemical releases. EPA is also investigating whether the types of data collected should be expanded to include chemical use data. Under the President's Right-to-Know Initiative, EPA will increase the amount of useful information on toxic chemicals and provide guidance to Americans on common practices to reduce or prevent unnecessary exposures. Also major upgrades in information technology will expand the capabilities of the Agency's electronic systems to provide one-stop public access to information.

Protecting Citizens from Lead Poisoning

The 1998 President's Budget requests \$16.6 million and 116 workyears for the Lead Abatement Program. This is an increase of \$0.4 million and 21 workyears from 1997. EPA regional offices will play an increased role in implementing regulations with states to ensure that individuals engaged in lead-based paint abatement activities are properly trained, that training programs are accredited, and that contractors are certified. EPA will also work with the Department of Housing and Urban Development to implement rules requiring disclosure to the public on lead-based paint hazards in housing constructed before 1978 which are offered for sale or lease. An important component of EPA's lead strategy is communicating the risks of lead exposure to citizens, health professionals, and lead-based paint abatement workers so they may take action to protect themselves from potential lead poisoning. EPA will also improve and expand outreach of materials and information on lead poisoning and risk reduction measures such as through its lead hotline and lead clearinghouse.

Addressing Toxic Chemical Risks

The 1998 President's Budget requests \$31.8 million and 261 workyears for the Agenda for Toxics. This is an increase of \$1.4 million and a decrease of 11 workyears from 1997. These programs include chemical testing, the review of new chemicals and biotechnology products, and the management of risks posed by existing chemicals. In 1998, the Chemical Testing Program will continue to concentrate on chemicals of concern identified by the TSCA Interagency Testing Committee. The New Chemicals / Biotechnology Program will review more than 2,200 new chemical and biotechnology products submitted to the Agency for human health and environmental concerns. The Existing Chemicals Program will continue to identify risks, assess alternatives, and identify pollution prevention opportunities for chemicals currently sold and used in the United States. Risk management resources will be redirected to place more emphasis on voluntary, non-regulatory strategies reserving regulatory approaches to those cases clearly requiring regulatory controls. Also the Green Chemistry Program will continue to challenge industry to develop and substitute environmentally safe chemicals. Since PCBs and asbestos are chemicals of national concern that create harmful human health effects, the PCB Program will continue to develop coordinated action plans for the manufacture, processing, distribution, use, and environmentally sound disposal of PCBs. The Asbestos Program will continue many activities, including operating a central directory of asbestos training course providers and approved courses.

Enforcing Toxic Substances Laws

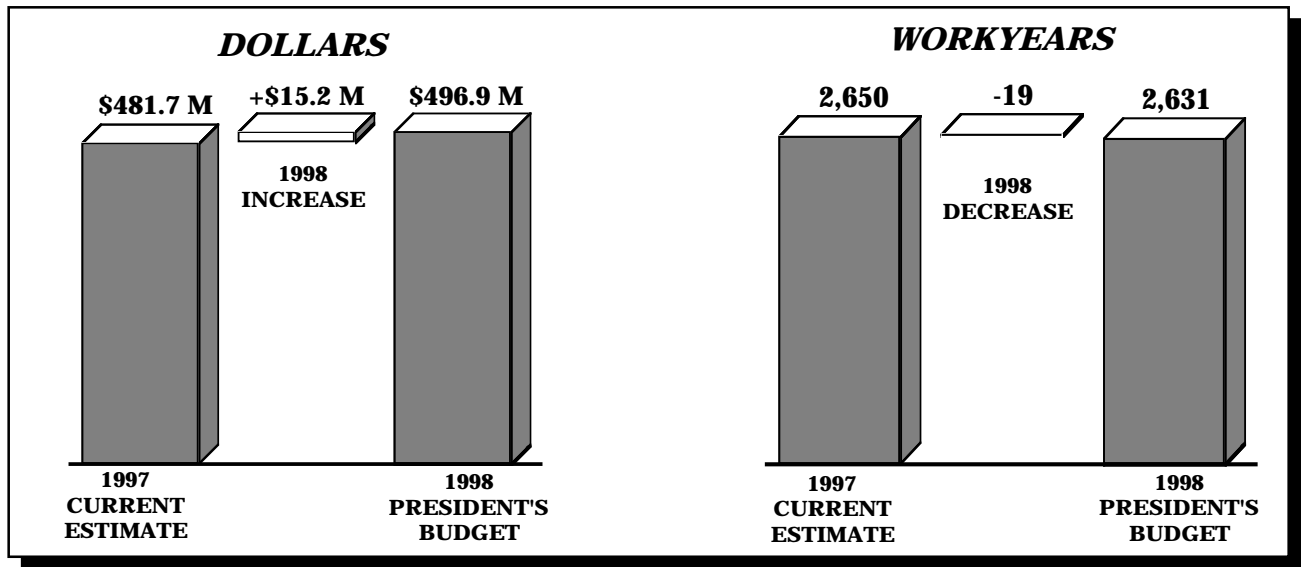
President's Budget requests \$7.9 million and 90 workyears for the Toxic Substances Enforcement program. This is an increase of \$2.2 million and 4 workyears from 1997. The Toxic Substances Compliance Monitoring Program will conduct inspections addressing sections 5 and 8 of TSCA with particular emphasis in 1998 on worker protection, pre-manufacturing notification, and

TOXIC SUBSTANCES

environmental effects reporting requirements. In those states without cooperative enforcement agreements, this program will continue to conduct risk-based compliance inspections for toxic chemical requirements, including inspections for the high-risk chemicals such as PCB and asbestos in public/commercial buildings programs. Civil enforcement will focus on implementation of the lead-based paint regulations to protect the health of as many as three million children from lead poisoning. Enforcement of high-risk chemical manufacturing and reporting requirements. Finally, EPA's regions will conduct inspections to monitor compliance with the Good Laboratory Practices regulations at laboratories that perform toxic substances testing.

The 1998 President's Budget also requests \$2.6 million and 23 workyears for the EPCRA Enforcement program. This is an increase of \$1.3 million and 3 workyears from 1997. The EPCRA Enforcement Compliance Monitoring Program will continue to conduct compliance inspections of chemical facilities that manufacture, use, or process potentially harmful chemicals and are required to report under EPCRA. In 1998, data obtained from these inspections will inform the public and the Agency of toxic chemicals at manufacturing facilities and document the release of toxic chemicals into the local environment. Regions will continue to utilize this information to develop TRI inspections. EPCRA Civil Enforcement activities will continue to address reporting violations of hazardous chemical releases to ensure adequate emergency planning, release notification, and reliable community right-to-know data are maintained to keep the public and the Agency informed of toxic chemicals being manufactured or released into the local environment.

MANAGEMENT & SUPPORT



The Management and Support program provides leadership, executive direction and policy oversight for all Agency programs, as well as those administrative and support services that are not assigned to a specific program. These programs are designed to meet the Agency's growing demand for sophisticated technology, analytical expertise, comprehensive matrix management and efficient support services. These activities are carried out primarily through the efforts of the Office of the Administrator; the Office of Policy, Planning and Evaluation; the Office of International Activities; the Office of the Chief Financial Officer; and the Office of Administration and Resources Management.

Primary activities include planning, budgeting, accountability, executive direction, legislative analysis, Congressional relations, financial management, health and safety, intergovernmental and international relations, information and human resources management, and security. Key statutes being addressed in 1998 include the Government Performance and Results Act (GPRA), the Federal Managers' Financial Integrity Act, the Chief Financial Officers' Act, and Executive Orders on Customer Service and Labor-Management Partnerships.

The 1998 President's Budget requests **\$496.9 million** and **2,631 workyears** under the EPM account for the Management and Support program. This is an increase of \$15.2 million and a decrease of 19 workyears from 1997.

HIGHLIGHTS

Providing Leadership and Direction for the Agency

The 1998 President's Budget requests \$51.2 million and 511 workyears for activities of the Office of the Administrator (OA). This represents an increase of \$3.6 million and 8 workyears over 1997. In 1998, OA will provide oversight and coordination for two significant Agency initiatives. First, OA will provide overall coordination and public outreach efforts for the Agency's initiative on Assessing Health Risks to Children. Under this initiative, EPA will evaluate current risk assessment protocols and methods to ensure they take into account the unique multi-pathway exposure for children, and update and disseminate information specifically about children's exposure to pollution threats. Second, OA will coordinate support and public outreach efforts in support of the Right-to-Know Initiative announced by the President in Kalamazoo, Michigan. This initiative is designed to improve and expand the quality and availability of information for families and the public regarding toxics in their communities.

The President's Budget also includes \$1.0 million in 1998 to support the GLOBE program, an interagency effort designed to bring school children, educators, and scientists together to observe and monitor environmental conditions

worldwide. Other OA resources in 1998 will provide for a wide variety of activities intended to ensure strong and effective leadership and direction at the Agency. This includes the Agency's Science Advisory Board, the Environmental Appeals Board, and the Administrative Law Judges. Resources will also support civil rights compliance efforts, Congressional and legislative analysis, assistance to small and disadvantaged businesses, and outreach to states, localities and the public.

Protecting U.S. Interests Through International Efforts

The 1998 President's Budget requests \$13.6 million and 69 workyears for the Office of International Activities (OIA) to protect U.S. interests in the global environment. This is an increase of \$0.9 million and 5 workyears over 1997. In 1998, the Agency requests \$2.0 million to launch a new Environmental Security Initiative (ESI) to respond to emerging environmental threats to the health and safety of U.S. citizens, the foreign policy interests of the United States, and the environmental problems associated with the legacy of the Cold War. The goal of the ESI is to identify, prioritize, and manage international environmental threats before they pose a risk to national security. OIA will also continue to focus on coordinating the international efforts of EPA with an eye towards reducing the cost of environmental protection; strengthening environmental protection overseas; removing trade barriers for U.S. companies; promoting U.S. technologies and services abroad; and protecting citizens from environmental threats along U.S. borders.

Achieving Agency Objectives Through Innovative Policies

The 1998 President's Budget requests \$14.2 million and 143 workyears for activities of the Office of Policy, Planning and Evaluation (OPPE). This represents an increase of \$1.0 million and 13 workyears over 1997. In 1998, OPPE will continue to play an important role in the management of Agency efforts to develop alternative policy approaches to achieve the Agency's strategic objectives in ways that are

consistent with economic and environmental trends and advance cross-media efforts. OPPE efforts will focus on improving the quality of the Agency's statistical data and public access to information, and continuing efforts to reengineer the Agency's regulatory process.

Streamlining Management Services and Information Systems

The 1998 President's Budget requests \$96.4 million and 1,293 workyears for management activities of the Office of Administration and Resources Management. This represents an increase of \$1.5 million and a decrease of 33 workyears from the 1997 level. OARM will continue to focus its efforts and resources on providing management services, infrastructure, operations, and workforce support for the environmental programs and priorities of EPA.

In 1998, OARM will direct additional resources to address vulnerabilities in the Agency's management of grants and contracts. Particular focus will be placed on improving the Agency's post-award grant management practices, including timely closeout of grants. In the area of information systems and services, OARM will work to improve access to EPA information by states, local governments, and the public. In addition, OARM will implement computer system modifications designed to address issues associated with the upcoming date change in the year 2000. OARM will also provide technical assistance on financial issues associated with state and tribal implementation of Performance Partnership grants. OARM will continue work begun in 1997 to streamline and automate the Agency's administrative systems with a particular emphasis on human resources systems.

Ensuring Health and Safety

The 1998 President's Budget requests \$249.7 million and 14 workyears under the EPM account to address essential infrastructure needs of the Agency. This represents an increase of \$7.2 million over 1997. This includes providing for the Agency's national support costs, such as rent payments; direct leases; utility costs; move and

related costs associated with space consolidation; and national health and safety support. In 1998, resources will be directed at additional building security and guard services to ensure the safety of the public and EPA employees as outlined in the President's Executive Order regarding upgrading security at federal buildings.

Integrating Strategic Planning, Budgeting, Financial Management, and Accountability

The 1998 President's Budget requests \$41.5 million and 362 workyears for activities of the Office of the Chief Financial Officer (OCFO). This represents an increase of \$1.0 million and a decrease of 8 workyears from 1997. The Agency is committed to making better use of scientific information in setting priorities; improving the link between long-term environmental planning and resource management; and implementing a new accountability system to assess accomplishments and improve feedback for future decision-making. In close coordination with other EPA offices, the OCFO will lead the effort to establish and manage this new Agencywide planning, budgeting, financial management, analysis and accountability system. In 1998, the OCFO will continue to focus on the development of Agency goals and program objectives for all Agency programs, the Agencywide strategic plan, and development of program performance plans, measures and reporting mechanisms required under GPRA. The OCFO will continue to develop and implement the management processes and information systems needed to improve EPA's ability to manage for results. The OCFO will also continue to provide the core budget, financial, and resource management services essential to the Agency's management and operation.

Improving Efficiency Through A Working Capital Fund

The Working Capital Fund (WCF) begins its second year of operation in FY 1998. EPA's WCF is a revolving fund to finance operations

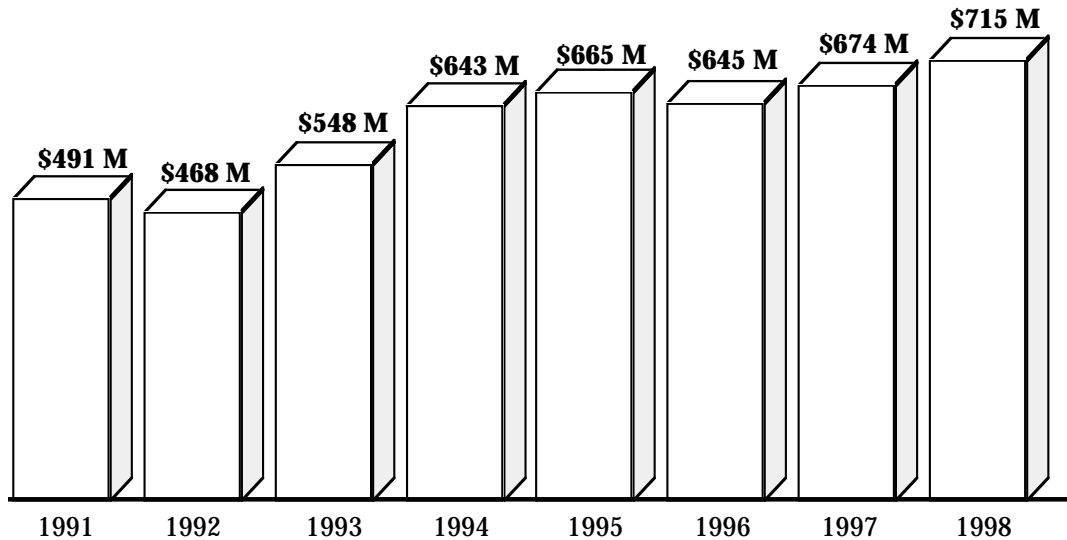
where the costs for goods or services provided are charged to the users. With the creation of the WCF, funding and management of administrative services has been decentralized, thereby giving customers a strong voice in determining the amount and type of services they receive. EPA's WCF will ensure increased efficiency of resource utilization through reliance on market force mechanisms and will also increase accountability through audited financial statements.

The Agency will provide two services in 1998 under the WCF: computer and telecommunication services at the National Data Processing Division (NDPD), Research Triangle Park, NC, and postage services. These services are provided to all EPA offices. While the WCF is administered through the Management and Support program, the resources are requested in the individual offices participating in the WCF. Under the 1998 President's Budget, the WCF will provide \$101.0 million in services, a decrease of \$500 thousand from 1997. NDPD operations are funded at \$95.9 million and Postage at \$5.2 million. There are also 66 workyears associated with these activities.

Strengthening Executive Direction Through Matrix Management

The 1998 President's Budget requests \$30.4 million and 239 workyears for this activity, which includes executive direction, policy development, program development and oversight, planning, budgeting, financial management, human resource management, and information resources management for each of the Agency's major offices. These include the Offices of Air and Radiation, Water, Enforcement and Compliance Assurance, International Activities, General Counsel, Solid Waste and Emergency Response, Prevention, Pesticides and Toxic Substances, and Policy, Planning and Evaluation. These core services are essential for the overall management, coordination, and direction of these offices.

STATE, LOCAL, & TRIBAL GRANTS



In 1998, EPA will continue to give more flexibility to state and tribal governments to manage their environmental programs as well as provide technical and financial assistance. Two specific efforts in 1998 demonstrate this flexibility. First EPA has, with the states, established a National Environmental Performance Partnership System (NEPPS) which recognizes the states' growing capacity to operate their own environmental protection programs. In return, states will measure and report progress in achieving environmental results within their state. Second, Performance Partnership Grants (PPGs) allow states and tribes flexibility to combine two or more "categorical" program grants (e.g., Air, Water) into one or more multimedia grants used to address the environmental priorities of their state or tribe. Performance Partnership Grants (PPGs) will be encouraged and utilized by state and tribal government in 1998 as they were in 1996 and 1997. In 1996, 20 states have signed PPGs for 1996 funding and at least 24 states have signed PPGs in 1997. As more states recognize the benefits, we expect most, if not all, states will participate.

In 1998, the President's Budget requests a total of \$715.3 million for 17 'categorical' program grants for state and tribal governments. This is an increase of \$41.0 million (6%) over 1997. These grants are part of EPA's Operating Programs even though they are funded in the State and Tribal Assistance Grant (STAG)

appropriation account. 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 and local tribal governments, organizations, and citizens.

HIGHLIGHTS

Fostering State and Tribal Programs

EPA state and tribal grants help these governments develop and implement the technical, managerial and enforcement capacity to manage and operate their own environmental protection programs. This includes helping them address air pollution requirements, implement water quality standards, develop and maintain drinking water systems, promote and monitor the safe use of pesticides and toxic substances (e.g., lead), regulate hazardous waste treatment and disposal, and assure compliance with federal environmental laws and regulations. Funding also is provided to assist states and tribal government address multi-media pollution problems.

STATE, LOCAL, & TRIBAL GRANTS

The emphasis in 1998 will be to increase Federal financial assistance to meet increased environmental program requirements and to help tribal governments better establish their environmental protection programs. Increases in 1998 for the states will be in the Air, Water Quality, and Multimedia Enforcement programs. For tribal governments, increases in 1998 will be in the Air, Water Quality, Drinking Water, Pesticides, Toxic Substances, Hazardous Waste, Multimedia Enforcement, and Multimedia General Assistance Program (GAP) programs. These changes are described below.

Air and Radiation Program Grants

Air and Radiation Program grants help state and tribal governments address air and radiation program requirements. In 1998, the President's Budget requests a total of \$175.5 million for three Air and Radiation Program grants. This is an increase of \$8.3 million from 1997. Priority in 1998 will be on funding programs which meet clean air standards, particularly those for ozone ('smog') and particulate matter ('soot'). Increases of \$4 million will assist state, local and tribal governments deploy new monitoring equipment to obtain background information on the nature and origin of fine particles. EPA will provide technical and financial support to multi-state organizations and implement recommendations resulting from their joint efforts, including a nitrogen oxides allowance trading system. EPA will join with states in the 'MACT Partnership' program designed to develop MACT standards for sources or toxics of particular concern to participating states. In addition, EPA will target \$750 thousand for Alaskan Native Villages to assess the effect of nuclear waste disposal by the Former Soviet Union and the disposition of any radioactive pollutants from nuclear accidents in other countries. Radon Program grants will be maintained at the 1997 level (\$8.2 million).

Water Quality Program Grants

Water Quality Program grants help states and tribes implement their water pollution control programs. In 1998, the President Budget requests a total of \$230.5 million for four Water Program grants. This is a total increase of \$14.8 million

from 1997 all of which is in the Water Pollution Control (section 106) grants. Of this total increase, \$5.0 million will be directed to help states develop Total Maximum Daily Loads (TMDLs) which consider point, nonpoint source, and natural background pollution in addressing complex water quality problems. The other \$9.8 million will be to assist tribal governments establish and maintain adequate water pollution control programs on tribal lands. Grants to help states and tribal governments address non-point source pollution problems (\$100 million), implement protections for wetlands (\$15 million), and address water permit program concerns - especially wet weather - (\$20 million) will be maintained at 1997 levels .

Drinking Water Program Grants

Drinking Water Program grants help states and tribes operate Drinking Water programs to ensure water systems meet national drinking water standards especially now with enactment of the 1996 Amendments to the Safe Drinking Water Act. In 1998, the President Budget requests a total of \$104.3 million for the two Drinking Water grants. This is an increase of \$3.8 million from 1997 for tribes. The emphasis in 1998 will be to support tribal governments as they develop a capacity to build and maintain their own Public Water Systems Supervision (PWSS) Program. The biggest single deterrent to tribes assuming primacy for the Drinking Water Program is their lack of capacity. EPA will endeavor to help tribal governments build sufficient capacity to assume 'primacy' of the Drinking Water Program. For states, the emphasis in 1998 will be to implement the requirements of the 1996 Amendments to the Safe Drinking Water Act. Funding to support state activities related to the PWSS and Underground Injection Program (UIC) will continue at 1997 levels.

Pesticides and Toxic Substances Program Grants

Pesticides and Toxic Substances Program grants help state and tribes develop and manage programs to ensure they comply with pesticide use and lead program requirements. In 1998, the President requests a total of \$26.8 million for two

STATE, LOCAL, & TRIBAL GRANTS

grants in this program area. This is an increase of \$1.5 million from 1997. The emphasis in 1998 (+\$0.3 million) will be to help tribal governments develop programs to manage pesticide use, such as the training and certification of commercial pesticide applicators on tribal lands and develop their own lead poisoning prevention programs (+\$1.2 million). Support to states will be maintained at the 1997 levels of \$24.7 million.

Hazardous Waste Program Grants

The Hazardous Waste Program will continue to support state and tribal government hazardous waste programs to issue permits, conduct compliance monitoring inspections, and initiate enforcement actions. In 1998, the President requests a total of \$109.1 million for two Hazardous Waste Program grants. This is an increase of \$0.3 million from 1997. The increases will assist tribal governments to develop their capacity to implement the Hazardous Waste program. Emphasis with the states will be on further streamlining the permit process and on identifying and implementing measures to reduce the spread of contamination of hazardous wastes at high-risk facilities. Underground Storage Tank Program grants, at a stable funding from 1997 of \$10.5 million, will focus on encouraging and enforcing compliance with the 1998 deadline for upgrading, replacing, or closing underground storage tanks.

Pollution Prevention Program Grants

EPA will also continue to support programs that address multiple sources of pollution. In 1998, the President Budget requests a total of \$6.0 million for Pollution Prevention state grants, the same level as in 1997. These grants support pollution prevention demonstration projects by local communities to help them identify and deal with multiple environmental pollution concerns

Enforcement Program Grants

In 1998, financial assistance will continue to support state and tribal enforcement programs. A total of \$24.4 million is requested for Pesticides and Toxic Substances Enforcement grants, an increase of \$1.8 million from 1997. With the recent enactment of the Food Quality Protection Act of 1996, an additional \$1.0 million is requested specifically for increased state enforcement since states are the primary enforcement component of the Pesticide Program. Increased support will also help tribal governments develop capabilities to operate and manage their tribal pesticide enforcement capabilities. For the Toxic Substances Enforcement program, the 1998 emphasis will be on developing partnerships with the states and tribes to establish comprehensive toxic substances enforcement authorities.

Indian General Assistance Program Grants

For the Indian Environmental General Assistance Program (GAP), the Agency is requesting a total of \$38.6 million for these GAP grants. This is an increase of \$10.6 million (+40%) from 1997. This increase is requested to help tribal governments establish Tribal/EPA Environmental Agreements (TEAs) which identify environmental management needs, establish program priorities, and build tribal environmental programs. EPA believes that supporting the development of tribal environmental programs is the most effective way to protect public health and the environment on tribal lands.

STATE, LOCAL, & TRIBAL GRANTS

(DOLLARS IN THOUSANDS)

	<u>1997 CURRENT ESTIMATE*</u>	<u>1998 PRESIDENT'S BUDGET</u>	<u>1998-1997 DIFFERENCE</u>
<u>AIR</u>			
STATE AND LOCAL ASSISTANCE	\$153,190.0	\$157,190.0	+\$4,000.0
TRIBAL ASSISTANCE	5,882.2	10,168.8	+4,286.6
INDOOR ENVIRONMENTS/RADON	8,158.0	8,158.0	0.0
<u>WATER QUALITY</u>			
POLL. CONTROL (SECTION 106)	80,700.0	95,529.3	+14,829.3
NONPOINT SOURCE	100,000.0	100,000.0	0.0
WETLANDS PROGRAM	15,000.0	15,000.0	0.0
WATER QUALITY COOPERATIVE AGRMTS	20,000.0	20,000.0	0.0
<u>DRINKING WATER</u>			
PUBLIC WATER SYSTEM SUPERVISION	90,000.0	93,780.5	+3,780.5
UNDERGROUND INJECTION CONTROL	10,500.0	10,500.0	0.0
<u>HAZARDOUS WASTE</u>			
HAZ. WASTE FINANCIAL ASSISTANCE	98,298.2	98,598.2	+300.0
UNDERGROUND STORAGE TANKS	10,544.7	10,544.7	0.0
<u>PESTICIDES</u>			
PESTICIDES PROGRAM IMPLEMENTATION	12,814.6	13,114.6	+300.0
<u>TOXIC SUBSTANCES</u>			
LEAD GRANTS	12,500.0	13,712.2	+ 1,212.2
<u>MULTIMEDIA</u>			
POLLUTION PREVENTION	5,999.5	5,999.5	0.0
PESTICIDES ENFORCEMENT	16,133.6	17,511.6	+1,378.0
TOXIC SUBST. ENFORCEMENT	6,486.2	6,864.2	+378.0
TRIBAL GENERAL ASSISTANCE	28,000.0	38,585.4	+10,585.4
PERFORMANCE PARTNERSHIPS /1	0.0	0.0	0.0
TOTAL	\$674,207.0	\$715,257.0	+ \$41,050.0

* Current Estimate does not include 1996 carryover resources.

/1 Funding for Performance Partnership Grants is unknown at this time. Finds will be reprogrammed from 17 categorical grants above during 1997 and 1998.

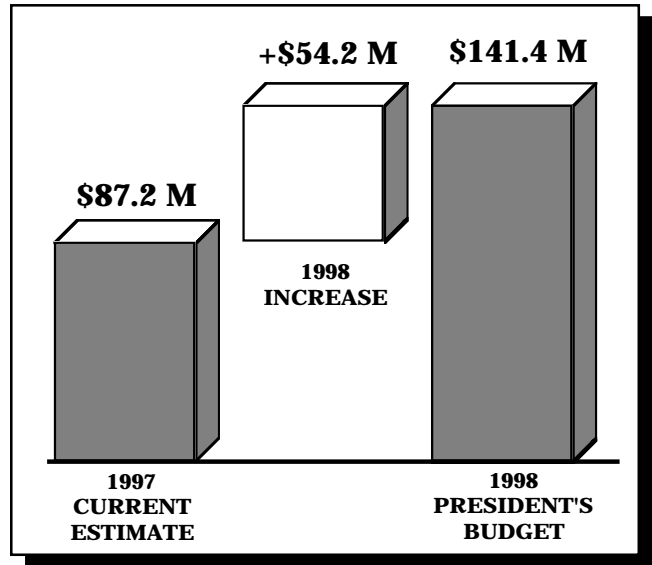
BUILDINGS AND FACILITIES

The Buildings and Facilities (B&F) account funds the design, construction, repair, and improvement of buildings occupied by EPA. The Agency currently has ten Regional offices with associated Regional laboratories, two large research and development laboratory complexes, a number of field stations with laboratory facilities and a Headquarters operation in nine locations in the Washington, D.C. area.

This program provides a safe and healthy work environment for EPA employees by providing for renovation and repair or replacement of our facilities. Through its facilities master plan, the Agency will continue to implement intermediate and long-range plans that assess alternative housing options for EPA operations and also continue a repair program that protects the Agency's investment in EPA real property holdings. EPA is modifying current facilities to more adequately and efficiently address the Agency's changing programs as well as implementing cost-effective energy and water conservation measures at EPA-occupied, federally-owned buildings. The Agency will continue to emphasize environmental compliance and health and safety efforts in EPA facilities by removing asbestos and PCBs, upgrading fire and life safety systems, and upgrading heating, ventilation and air conditioning systems to meet the most current ventilation and CFC removal standards.

The 1998 B&F program continues major initiatives to correct deficiencies in the Agency's facilities' infrastructure. Ongoing new construction will be managed through the design and construction phases. Included in these plans is the build-out of a new government-owned Headquarters facility in the newly constructed Ronald Reagan Building and the Ariel Rios Building, continued construction of the Consolidated Laboratory at Research Triangle Park, North Carolina.

The Agency is requesting a total of **\$141.4 million** for 1998 in the B&F appropriation account. This is an increase of \$54.2 million over 1997.



HIGHLIGHTS

Investing in New Facilities

The Agency is requesting \$125.0 million in 1998 for New Facilities, an increase of \$52.2 million over 1997. The investment in New Facilities will dramatically impact the Agency's ability to address the complex environmental issues of the 1990's and beyond.

The Agency is requesting \$122.0 million for the construction of a consolidated laboratory and office complex at Research Triangle Park, NC. This facility will integrate several spaces that EPA currently leases. The Agency is also requesting \$3 million to renovate and occupy its new Headquarters facility in downtown Washington, D.C. The new facility is responsive to the needs of EPA's employees and reflective of the Agency's environmental mission.

Repairing and Improving Existing Facilities

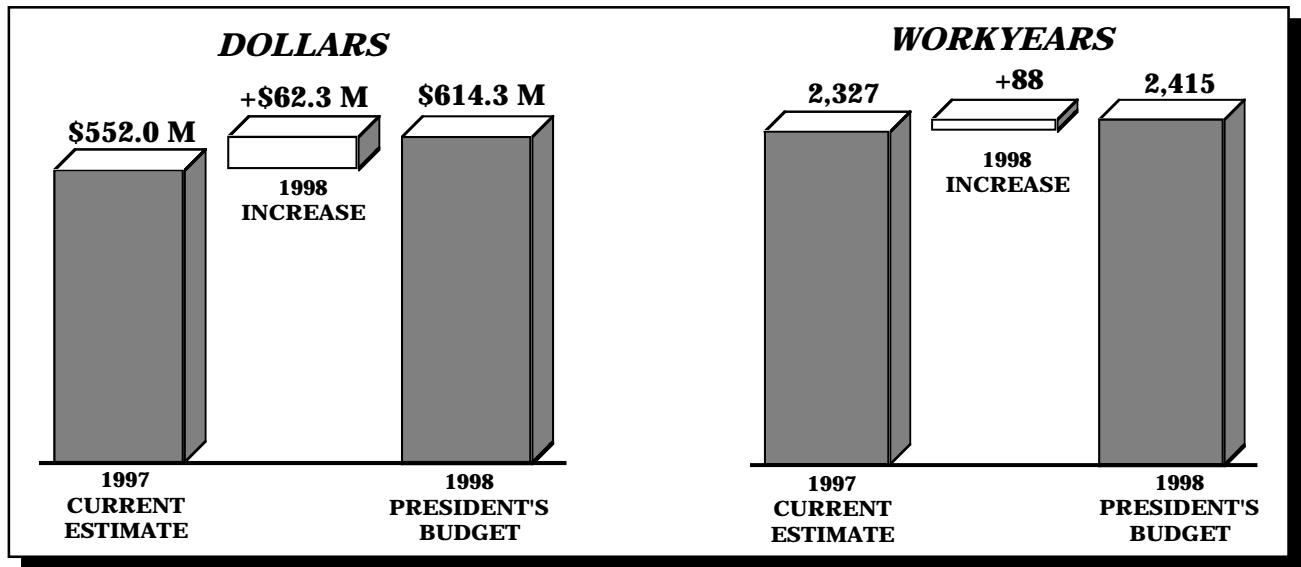
The Agency requests \$16.4 million in 1998 for the Repairs and Improvements program, an increase of \$2.0 million over 1997. The increase funds modifications to the Alternative Fuels

BUILDINGS AND FACILITIES

Dispensing System at the Agency's Ann Arbor, Michigan laboratory. Other activities within this program are engineering studies, design, and construction related to the repair and improvement of buildings occupied by EPA.

Funding in 1998 will address critical repairs related to employee health and safety; ensuring EPA facilities are in compliance with environmental statutes; energy and water conservation improvements; and alterations related to moves and program required changes as well as emergency repairs and maintenance for laboratory facilities.

SCIENCE AND TECHNOLOGY



The Science and Technology (S&T) account, created in 1996, funds the operating programs of the Office of Research and Development (ORD), the Office of Air and Radiation's (OAR) Office of Mobile Sources, and the Program Office laboratories. These organizations provide significant scientific and technical expertise in meeting the Agency's broad array of environmental goals. ORD scientists and engineers, as well as universities and the extramural research and development community, seek to increase our understanding of the risks to human health of the American public and our nation's ecosystems. OAR contributes to the goal of clean air by controlling air pollutants such as particulate matter, implementing the Clean Air Act's vehicle, engine and fuels requirements and by reducing emissions from in-use vehicles through state programs. The program laboratories directly support the Agency's regulatory programs, including the implementation of drinking water regulations, and are the primary source of multimedia technical expertise for civil and criminal enforcement.

As a result of the Agency's risk-based science planning process, a number of new and critical areas with significant uncertainties and great opportunities will be funded in the S&T account in 1998: Assessing Health Risks to Children, the President's Commitment made in Kalamazoo on Americans' Right-to-Know, the Advanced Measurement Initiative and implementation of the Safe Drinking Water Act

Amendments of 1996 and the Food Quality Protection Act of 1996. The Agency's support in these areas underscores our national leadership in addressing emerging environmental issues and in advancing the science and technology of risk assessment and risk management.

The 1998 President's Budget requests **\$614.3 million** and **2,415 workyears** for the Science and Technology appropriation account, an increase of \$62.3 million and 88 workyears over 1997. In addition to this amount, **\$39.8 million** will be transferred from the Hazardous Substance Superfund appropriation.

The S&T account also includes resources for cross-program research that pertains to two or more distinct media, and infrastructure needs such as operating expenses and the working capital fund. The S&T account also requests \$115 million to continue support for the Science to Achieve Results (STAR) program. This includes \$15 million for academic fellowships.

Reducing Air Pollution through Research

The 1998 President's Budget requests \$91.1 million and 411 workyears for the Air Research program, an increase of \$9.1 million and a decrease of 15 workyears from 1997. Research and development will be conducted in many different areas of air pollution.

Air Toxics research investigates and assesses the risks posed by toxic air pollutants in urban and indoor environments and those generated as a result of mobile sources. In 1998, the Agency will significantly increase efforts in the urban toxics research area to better understand the health impacts of exposure to air toxics in the urban setting, where most risks are anticipated to occur. Research in this area includes support for the development of health assessments from chronic and acute exposures and cancer risk determinations.

The Criteria Air Pollution research program supports EPA in its mandatory review of the National Ambient Air Quality Standards for ambient exposures to certain widespread air pollutants. The program will increase efforts on understanding the risks associated with particulate matter (PM), a significant Agency initiative, which may be the largest single contributor to adverse effects caused by ambient air pollution. Researchers will continue to identify the mechanisms by which particles affect human health. Tropospheric ozone resources will support a joint public/private effort to improve the scientific basis for both future ozone attainment strategies and health and ecological effects research.

The Global Change research program will focus on integrated assessments of the potential ecological risks of climate change on coastal, freshwater, and terrestrial ecosystems from different regions throughout the U.S., and extend the analysis to include the implications for human health. In addition, EPA will consider future regional vulnerabilities for coastal ecosystems by developing a conceptual model to (1) identify the principal drivers of change in selected U.S. Atlantic watersheds and estuaries and (2) evaluate ecological risks that may be associated with climate change in the context of other future coastal zone precursors, such as resource exploitation and coastal zone build-out.

Strengthening Air Standards and Regulations

The 1998 President's Budget requests \$87.5 million and 424 workyears for OAR's Office of Mobile Sources (OMS) and Radiation Program Laboratories, an increase of \$22.9 million and 98

workyears over 1997. The 1998 request consolidates all resources for OMS in the S&T appropriation. Previously, the resources were split with the EPM appropriation.

The Ozone/Carbon Monoxide/Nitrogen Oxides program will conduct a wide range of activities designed to reduce these pollutants from vehicles, engines and fuels. These activities include promulgating mobile source rules under the Clean Air Act, involving industry in numerous cooperative emission reduction or process streamlining initiatives, and providing support to states. Rulemaking activities include finalizing the highway heavy-duty engine, locomotive, and evaporative test procedure rules, and proposing rules for reengineering vehicle compliance, motorcycle weight limits and nonroad diesels.

The Particulate Matter/Visibility/Regional Haze/Lead program supports engine standards development and PM emissions inventory and modeling. Reducing the mobile source PM emissions will contribute to attainment of the PM ambient air quality standard. By reducing these emissions, these initiatives will provide added protection for children and other sensitive populations from respiratory illness and premature death. In the area of fuels, the Agency will implement low sulfur diesel regulations, including the Alaska waiver request and the anticipated bio-diesel waiver request.

The Climate Change Action Plan (CCAP) directly supports the goal of stabilizing U.S. greenhouse gas emissions, such as carbon dioxide, at 1990 levels by the year 2000. One element funded through CCAP is the Clean Car program, which represents EPA's contribution to the Partnership for a New Generation of Vehicles, a Presidential initiative. Under this program, the Federal government will work closely with the domestic automobile industry to develop technology which will triple automotive fuel economy and reduce carbon dioxide emissions by 67 percent, while maintaining vehicle performance and affordability. EPA will also work to provide information to the public on ways in which transportation alternatives can be used to reduce air pollution and to decrease emissions of gases that contribute to global warming.

Two program laboratories support the Radiation and Indoor Environments programs by carrying out a broad range of policy, regulatory, and compliance functions. The National Air and Radiation Environmental Laboratory and the Radiation and Indoor Air National Laboratory both provide technical support and guidance to assist the Agency in carrying out its responsibility to protect public health and the environment from adverse effects of radiation exposure and to reduce human exposure to harmful levels of indoor pollution.

Mitigating Health and Environmental Problems Through Waste/Site/Risk Characterization Research

The 1998 President's Budget requests \$14.0 million and 68 workyears for the Waste/Site/Risk Characterization research program, an increase of \$3.2 million and a decrease of 10 workyears from 1997. The goal of the program is to provide the regions, states and localities with data, methods, and models to assess the potential human and environmental health risks associated with exposures to contaminants encountered at Superfund sites.

In 1998, Waste/Site/Risk Characterization research will include the Superfund Innovative Technology Evaluation (SITE) program, which will continue to demonstrate the backlog of commercially available characterization technologies, and the Resource Conservation and Recovery Act (RCRA) program, which will focus on reducing uncertainties in exposure estimates and developing more sensitive analytical methods for RCRA waste constituents. Superfund site characterization research will focus on technologies and methods that are more field-oriented.

Providing Strong Scientific and Technical Support Through Waste Management and Site Remediation Research

The 1998 President's Budget requests \$27.2 million and 95 workyears for the Waste Management and Site Remediation research program, an increase of \$4.0 million and a decrease of seven workyears from 1997. The goal of the

program is to improve EPA's understanding of the science controlling the fate of contaminants in soils and groundwater through risk management research which focuses on the remediation of surface and subsurface contaminated soils, sludges, sediments, buildings, debris, and groundwater.

In 1998, the Waste Management and Site Remediation research program will support major activities in groundwater research and the SITE program. In the groundwater area, EPA will expand its field evaluation of innovative extraction technologies for contaminants. The SITE program will continue to focus on identifying solutions where remediation problems indicate the need for more cost-effective cleanup technologies.

Strengthening the Scientific Basis for Drinking Water Regulations and Standards

The 1998 President's Budget requests \$35.9 million and 184 workyears for the Drinking Water research program, a decrease of \$3.5 million and 9 workyears from 1997. The research under this program seeks to increase our understanding of the health effects, exposure, assessment, and risk management issues associated with contaminants in drinking water from a public health basis. EPA's drinking water research also focuses on the potential health risks and human exposures to microbial pathogens and disinfection by-products (DBPs).

In 1998, the Drinking Water research program will provide the scientific data necessary to provide a sound basis for promulgation of necessary regulation. This research will expand our understanding of the impacts of drinking water contamination on sensitive subpopulations, adverse reproductive effects of drinking water contaminants, mechanistic research on selected DBPs and arsenic, and waterborne disease occurrence studies, as well as treatment and distribution system development.

The 1998 President's Budget requests \$1.7 million and 21 workyears for EPA's Drinking Water Technical Support Center (TSC), an increase of \$65 thousand over 1997. TSC will continue to implement drinking water regulations, particularly the information collection rule that

was promulgated in May 1996. This rule requires about 300 large public water systems to collect occurrence and treatment data on disinfectants, disinfection by-products, and microorganisms. TSC also has lead responsibility in implementing the composite correction program, which assists large, medium, and small systems in improving filtration performance.

Focusing On Ecosystem Protection Research

The 1998 President's Budget requests \$105.5 million and 490 workyears for the Ecosystem Protection research program, a decrease of \$1.7 million and an increase of 1 workyear over 1997. In addition to addressing several National Environmental goals, such as clean air, clean waters, healthy terrestrial ecosystems and reducing global and regional environmental risks, this program will investigate three Agency objectives: the scientific basis of environmental indicators of stressors; the risk assessment links between ecosystem and human health; and integration of information through risk management models.

Ecosystems Protection research will focus on exposure and effects measurements, long-term monitoring, and regional surveys, development of tools and methods to enable assessment and management of the greatest threats, and intensive research in selected ecoregions of national interest and concern, such as the Pacific Northwest. The impact of chemical stressors (e.g., nutrients, toxic metals) and non-chemical stressors (e.g., climate change, regional vulnerability) on threatened ecosystems is a primary area for investigation. EPA's Environmental Monitoring and Assessment Program (EMAP), for example, is used as a vehicle for understanding ecosystem integrity and sustainability.

EPA will continue a major program in the development of ecological indicators and our work with the National Park Service to upgrade monitoring sites in 13 National Parks to assess the impacts of environmental stressors, including toxic chemicals and metals. In addition, research will expand on Contaminated Sediments to better understand the cause and effect relationships of

persistent chemicals that exist in our Nation's waterways. EPA will explore cost-effective approaches to mitigate contamination of sediments in the Nation's waterways.

Reducing Exposure Through Human Health Protection Research

The 1998 President's Budget requests \$53.6 million and 251 workyears for the Human Health Protection research program, an increase of \$11.1 million and a decrease of 1 workyear from 1997. People are exposed to a variety of potentially harmful agents in the air they breathe, the food they eat, the liquids they drink, the products they use, and the surfaces they touch. The Human Health Protection research program's goal is to identify, reduce and prevent exposures and risks from environmental contaminants that contribute to increased rates of disease, disability and premature death.

In 1998, the Human Health Protection research program will support studies on the health effects and exposure of sensitive subpopulations exposed to pesticides and toxic substances. Research will be expanded to support implementation of the Food Quality Protection Act of 1996 to better address the health of infants and children, including re-evaluation of pesticide chemical tolerances for children.

The Agency will also reassess current information and approaches to determining risks specifically to children. This is in direct support of EPA's initiative of Assessing Health Risks to Children and its strategic goal of determining how individuals vary in their responses to toxic insults.

Understanding and Evaluating Emerging Special Environmental Hazards

The 1998 President's Budget requests \$15.9 million and 71 workyears for the Special Environmental Hazards research program, an increase of \$3.8 million and four workyears over 1997. This program primarily supports research on endocrine disruptors, where a great deal of

uncertainty exists. This research will investigate the effects of environmental exposure to various chemicals, focusing on health effects and exposure assessment in humans and ecosystems. The results of these efforts support the implementation of the Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA), the Toxic Substances Control Act (TSCA), and the recently enacted Food Quality Protection Act (FQPA) and Safe Drinking Water Act (SDWA) amendments of 1996.

In addition, the 1998 President's Budget requests \$3.4 million and 35 workyears for the Office of Pesticides Program Laboratory, an increase of \$200 thousand over 1997. The laboratory performs testing and other activities in support of EPA's Safe Food environmental goal.

Using New Tools and Technology to Prevent Pollution

The 1998 President's Budget requests \$58.0 million and 147 workyears for the New Technology and Pollution Prevention research program, an increase of \$21.6 million and 22 workyears over 1997. The goal of the program is to research and develop new tools and methods, techniques and approaches to be used to prevent pollution and to set environmental standards and regulations.

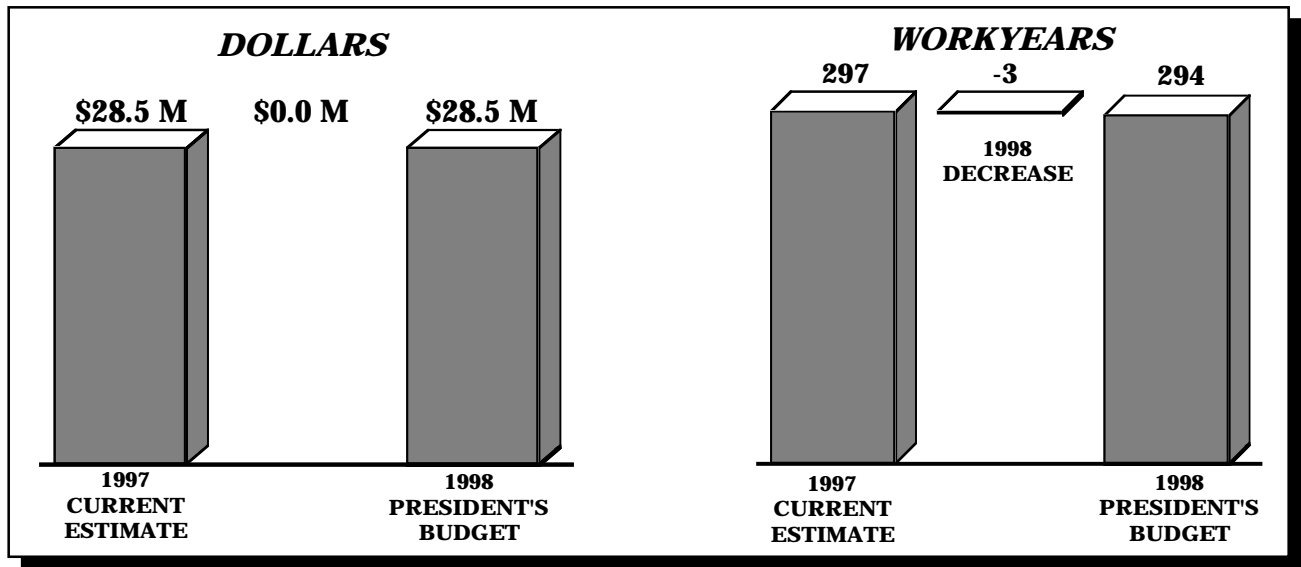
In 1998, the major activities of the New Technology and Pollution Prevention Research program will include the President's Commitment made in Kalamazoo to Americans' Right-To-Know and the Advanced Measurement Initiative (AMI).

The Right-To-Know commitment will provide the 75 largest metropolitan areas in the U.S. with access to information on local environmental quality and tools to interpret and evaluate potential impacts and risks. Through AMI, EPA will identify new ways to apply advanced technologies to current and emerging environmental needs in air, land, and water pollution. The initiative will also enhance environmental measurement and monitoring capabilities by accelerating the application of advanced technologies. In addition, the Agency will support the Environmental Technology Verification program and the Common Sense Initiative.

Developing Credible Evidence for Enforcement Actions

The 1998 President's Budget requests \$8.9 million and 79 workyears for the National Enforcement Investigations Center (NEIC), an increase of \$100 thousand and a decrease of 4 workyears from 1997. The Civil and Criminal Enforcement programs will continue to develop defensible, legal evidence for successful case prosecution. The scientific and technical staff will collect evidence, perform lab analysis, detect environmental data fraud through computer forensics, and develop graphics and report services to communicate environmental findings in the courtroom. NEIC will assist in case development and support by providing technical input to enforcement actions including: Consent decree development, negotiations, affidavits, Supplemental Environmental Projects, interrogatories, and support for litigation actions. Additionally, the Center will be conducting several compliance monitoring activities.

OFFICE OF THE INSPECTOR GENERAL



The Office of the Inspector General (OIG) is responsible for conducting and supervising independent audits and investigations of EPA's programs and administrative and financial activities to ensure that the Agency's programs are delivered in an effective, efficient, and economical manner and in compliance with all applicable laws and regulations. OIG audits and investigations assist the Agency in identifying areas of potential risk and necessary improvements that can significantly contribute to EPA fulfilling its complex mission. The OIG will also provide consultative services, working in partnership with Agency management, to find cleaner, cheaper, and smarter solutions for solving environmental problems.

The 1998 request for the OIG appropriation is **\$28.5 million** and **294 workyears**. In addition to this amount, **\$11.6 million** and **103 workyears** will be transferred from the Hazardous Substance Superfund appropriation. The total requested for the OIG is therefore **\$40.1 million** and **397 workyears**, an increase of \$0.1 million and a decrease of 11 workyears from 1997. A portion of this funding (\$4.1 million) is assigned to the Office of Administration and Resources Management to provide appropriate support services.

Operations of the OIG are funded through two appropriations: Inspector General and Hazardous Substance Superfund. The Inspector General account is appropriated from General

Revenue funds and covers the activities of the Agency's operating and construction grants programs. The Superfund portion is appropriated from the Hazardous Substance Trust Fund and is for OIG activities related specifically to the Superfund program. The Agency is not requesting that any dollars or workyears be transferred from the LUST appropriation due to a decreased LUST program workload. Any remaining or future LUST audits and investigations will be funded from the Inspector General appropriation. Additionally, in 1998, EPA is requesting a two-year appropriation for the OIG.

HIGHLIGHTS

Inspector General

In 1998, the General Revenue fund request for the Inspector General is \$28.5 million and 294 workyears, of which \$25.8 million is for the program and \$2.7 million is for support costs. This represents a decrease of 3 workyears from 1997. The OIG will continue to concentrate its workyears on areas that provide the greatest performance results to the Agency.

The OIG will continue its audits of Agency procurement practices and contracts performed by the Defense Contract Audit Agency (DCAA) to ensure that EPA's contract dollars are used most effectively and efficiently and expand its audits of major assistance programs such as Performance

Partnership Grants and State Revolving Funds. This will provide a balanced and sustained audit presence in conducting performance audits in all major programs, strengthening internal controls, improving operational efficiency and effectiveness, and ensuring the integrity of Agency procurement to achieve the maximum environmental benefit with available resources. The OIG will continue to invest in procurement and program integrity investigations to prevent and detect the possible loss of EPA resources from fraud, abuse, and other violations. In addition, the OIG will provide resources to implement a consolidated OIG information system addressing the Year 2000 data problem. The OIG will also provide financial audit work supporting the Chief Financial Officers (CFO) Act of 1990 to ensure that the accounting systems and financial reports are accurate and reliable.

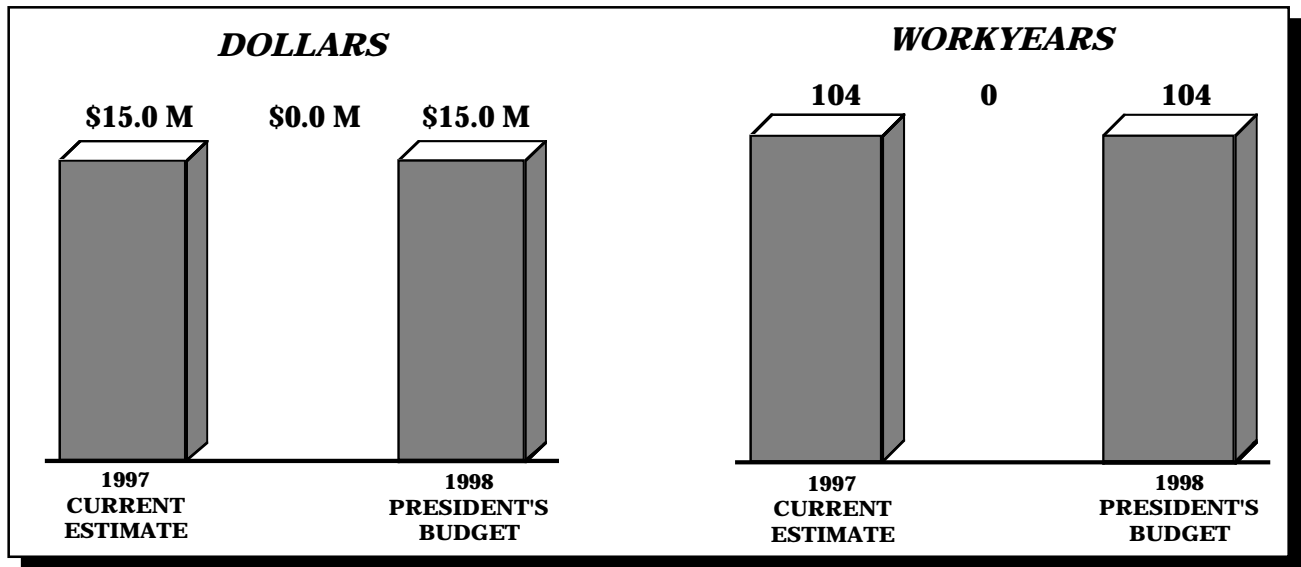
The OIG will continue its audits of EPA's construction grants program to assist the Agency in meeting its goal of substantially closing out this program. In addition, the OIG will focus its resources on improving the integrity of scientific data, research, and analysis crucial to EPA. The OIG will emphasize investigations of procurement fraud and continue aggressively pursuing fraud in Agency funded research. The OIG will also continue its efforts in fraud prevention by publicizing its activities, helping EPA employees

identify areas sensitive to fraud, and developing and applying new fraud detection tools and methods.

Superfund

In 1998, the Hazardous Substance Superfund request for the OIG is \$11.6 million and 103 workyears, of which \$10.2 million is for the program and \$1.4 million is assigned to OARM to provide support costs. This represents an increase of \$0.6 million and a decrease of 3 workyears from 1997. The increase will fund additional audit coverage of Superfund cooperative agreements and fund pre-award, interim, and final audits of Superfund contracts by the DCAA. The OIG will continue to focus its resources on financial and performance audits and investigations of the Superfund program, particularly in the area of procurement and acquisition management. The OIG will also comply with the audit requirements of the CFO Act and the Superfund Amendments and Reauthorization Act to ensure that Superfund programs are operated as efficiently as possible and that the risk of financial loss is minimized.

OIL SPILLS



Oil spills pose a constant threat to public health and the environment. The federal government receives reports on more than 20,000 oil spills each year. These reports can range from minor discharges to major catastrophes. More than 100 spills reported in 1996 were over 10,000 gallons and another dozen spills exceeded 100,000 gallons. These accidental discharges impact the Nation in a variety of ways. Oil spills contaminate drinking water and food supply, expose families to toxic emissions, kill marine and wildlife, and devastate local economies dependent on natural resources. Environmental damage from these spills can be long term and, in some cases, irreversible. The Oil Spill Program has been established to prevent, prepare for, and rapidly respond to this threat.

The Oil Spill Program is authorized under Section 311 of the Clean Water Act (CWA), as amended by the Oil Protection Act (OPA) of 1990. OPA strengthened the Federal government's prevention, preparedness, and response capabilities. The Agency responds to oil spills that affect or threaten the inland waterways of the United States and regulates a wide range of onshore facilities, from hospitals to large tank farms. An interagency agreement between the Agency and United States Coast Guard (USCG) is used to coordinate joint responses along the coastal zone and Great Lakes, where warranted. The USCG manages the Oil Spill Liability Trust Fund which provides direct funding for response

activities and is financed through a five cents per barrel tax on domestic crude and imported oil. The goal of the Agency's Oil Spill Program is to reduce or eliminate accidental releases of oil that endanger our communities or wildlife, and to ensure that releases that do occur cause negligible harm to people, local economies, and the environment.

The President's Budget requests **\$15.0 million and 104 workyears** to meet the environmental goals of the Oil program; this is no change from the Agency's 1997 levels. The Oil program will continue to meet OPA requirements by implementing the Spill, Prevention, Control, and Countermeasures (SPCC) program and reviewing facility response plans (FRPs) for specified high risk facilities to ensure they have the capability to address a worst case discharge. In 1996, EPA began cleanup at an estimated 69 oil spill sites with reimbursement from the Oil Spill Liability Trust Fund and monitored 130 responsible party cleanups. The Oil program will also support many of the Nation's priorities, i.e., Clean Waters, Healthy Terrestrial Ecosystems, Safe Drinking Water, and Safe Homes, Schools and Workplaces by preventing releases of harmful substances into the environment and protecting the environment for our children and our children's children.

HIGHLIGHTS

In 1998, the Oil program will concentrate on prevention and preparedness, and rapid response to an accidental release. The Agency will maintain and reinforce the emergency response infrastructure to include revising area contingency plans, continued work on the Oil Spill Program Information System (OPIS) that electronically tracks a facility's history, development of a geographic information system (GIS), thereby highlighting the facility's most sensitive areas, and conducting emergency response exercises. These activities will better prepare high risk facilities and regions for a worst case scenario.

Preventing and Preparing for Accidental Discharges

In 1998, the President's Budget requests \$7.7 million and 56 workyears for prevention and preparedness activities. This will be accomplished in three areas: implementing the SPCC program; reviewing FRPs; and executing the National Preparedness for Response Exercise Program (PREP). The Agency performs SPCC inspections to ensure that specified oil storage facilities can properly control and prevent accidental spills. Currently, the Agency regulates about 435,000 facilities with approximately 500 SPCC inspections targeted for review in 1998. Above ground oil storage facilities are subject to further prevention measures in order to be in compliance with the statute. The SPCC inspections and compliance measures have been effective in reducing the number and scope of accidental oil discharges.

The second key activity for prevention and preparedness is reviewing FRPs. The Agency is responsible for the periodic review and approval of FRPs at 5,000 high risk facilities. In 1998, EPA will conduct an estimated 500 FRP inspections. An FRP review requires evaluating each plan for completeness and accuracy, inspecting the facility's response equipment, verifying data in the response plan, and validating the facility's capability to effectively respond to a worst case discharge.

The Agency will continue working with state and local government officials to develop area contingency plans and coordinate with other Federal authorities to implement the PREP. PREP drills entail testing response procedures and the performance of facilities. In 1998, the Agency will lead one inland area PREP exercise and plans to participate in several exercises led by the Coast Guard, other Federal agencies, and industry.

Responding Rapidly to Accidental Discharges

The President's Budget requests a total of \$4.1 million and 30 workyears to conduct and monitor rapid responses to significant oil spills, and to provide specialized site support through the Environmental Response Team (ERT). This team consists of scientists and engineers that are available to provide technical expertise 24 hours a day to On-scene Coordinators, Remedial Project Managers, state and local responders, and foreign countries during the time of an environmental crisis. The program will also continue to maintain the current Emergency Response Notification System (ERNS) so that release information on an oil spill is available for state, local, industry, and Federal authorities to quickly access. The Agency will direct or oversee response actions for incidents involving onshore facilities where the spill or threat of a spill represents a substantial threat to public health or welfare of the environment, and continue to provide technical and response support to the USCG on oil spills outside of EPA's jurisdiction.

Taking Action Against Non-Complying Facilities

The 1998 President's Budget requests \$1.6 million and 16 workyears under the Oil Spill Enforcement program; this is no change from 1997. The Agency will bring administrative actions and judicial referrals against facilities for failure to comply with oil pollution spill prevention control and countermeasures regulations and response plan regulations, including final facility response plan regulations. The program will enforce cleanups of

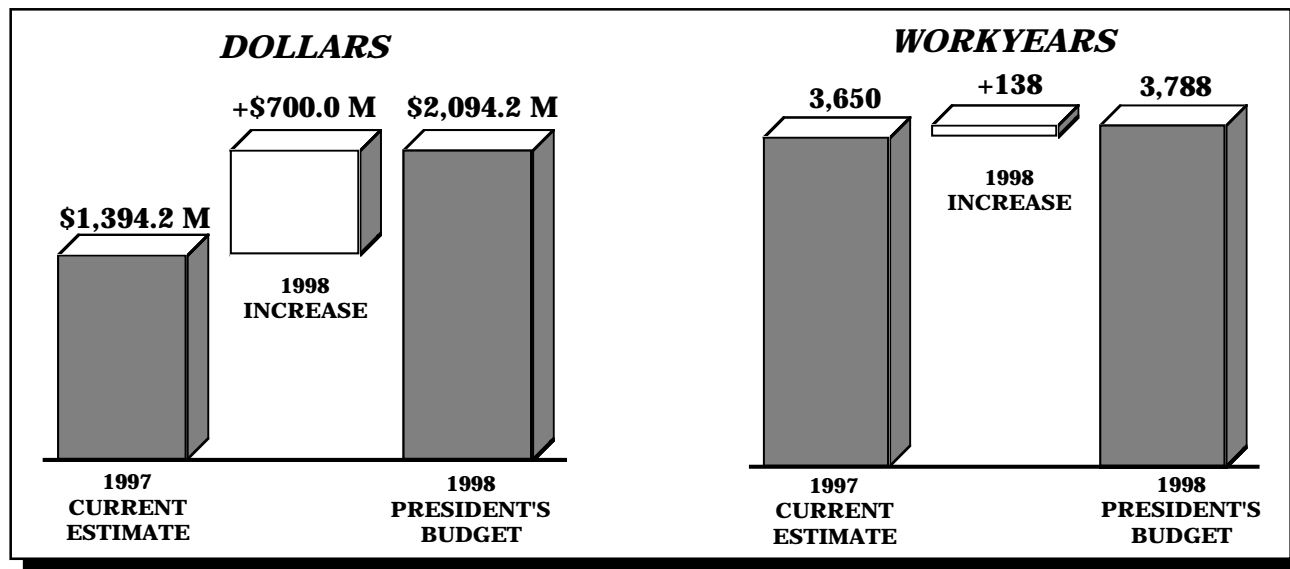
spills by responsible parties. These resources will also allow the Agency to coordinate enforcement activities with other Federal and state governmental agencies.

Encouraging Innovative Research

The 1998 President's Budget requests \$1 million and 1 workyear for the Oil Spill Trust Fund, an increase of \$5 thousand and a decrease of 1 workyear from 1997. The program develops and evaluates the applicability of remediation options to spills of crude oils and fuels. In 1998, the objective of the Agency's research program will be to determine the risk management option that most appropriately addresses spill remediation. The Agency will apply the best science available to focus our research efforts on the use of bioremediation and chemical countermeasures.

TRUST FUNDS

SUPERFUND



Soil that is unsafe to live, work or play on; water that is unfit to drink; and air that is dangerous to breathe are the result of improper disposal of hazardous waste. This contamination often migrates, threatening a growing number of people, communities, and sensitive ecosystems. The Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) or Superfund was enacted in 1980 to address public health and environmental threats from abandoned toxic waste dumps and releases of hazardous substances. The Superfund program is unique in that it provides the first Federal cleanup authority to address the problem of uncontrolled hazardous waste sites. CERCLA also requires EPA to step beyond its traditional regulatory role and pursue potentially responsible parties (PRPs) to ensure that they contribute their equitable share toward cleaning up Superfund hazardous waste sites.

CERCLA and the Superfund Amendments and Reauthorization Act (SARA) of 1986 have given EPA authority to pursue those responsible for cleanups and to recover costs incurred if the Agency cleans up the contamination. Where negotiations with PRPs fail, the Agency will take enforcement actions to require cleanup or use Federal dollars, from the Hazardous Substance Trust Fund, to clean up sites until these costs can be recovered from the polluter. The Trust Fund was established to pay for cleanups where PRPs cannot be found or cannot or will not pay for the cleanup and has

been supported through excise taxes on the chemical and petroleum industries and a broad-based corporate environmental tax. This has provided a stable source of funding which allows the Agency to move forward to protect the public and the environment while PRP responsibility is worked out.

The Superfund program continues to use the Trust Fund and enforcement authority to make strides in addressing the risks posed by contaminated sites. To date, EPA and the public have identified over 40,000 potential hazardous waste sites across the Nation. Over 35,000 of these sites have been assessed with approximately 28,000 being removed from EPA's inventory, requiring no further action. EPA has developed its capability to respond to emergencies such as train derailments, natural disasters and other accidents involving chemical spills. Removal of these and other emergency threats has resulted in over 4,000 completed removal actions at approximately 3,100 sites.

Once identified, the Superfund program studies and assesses sites to determine if they merit inclusion on the National Priorities List (NPL) -- the Nation's worst sites. The Superfund assessment program has placed almost 1,400 sites on the NPL. Ninety-five percent of these sites have been investigated to determine the extent of contamination. Construction is underway at nearly 500 sites with an additional 410 NPL

sites being 'construction complete' as of the end of 1996. EPA's enforcement program has achieved an average PRP participation of greater than 70% for the past few years at construction cleanups saving Trust Fund resources that can be used to support other response actions.

In addition to cleanup and enforcement activities, EPA is linking environmental protection with economic redevelopment and community revitalization, commonly referred to as the Brownfields Initiative. Brownfields are abandoned, contaminated and/or underused land that is often found in the inner city, but occurs in rural communities as well. It is estimated that there are up to 500,000 brownfields sites in the United States, affecting virtually every community in the Nation. The President has committed to help redevelop brownfields sites and has requested additional funds in the 1998 Budget for grants to cities, states and Federally recognized Indian tribes for assessment and capitalization of revolving funds. Cleveland, Detroit and Pittsburgh are among the 76 communities that are currently cleaning up brownfields sites as a strategy for revitalizing their local economies. By targeting economic redevelopment in otherwise wasted brownfields areas, these cities are hoping to create jobs, generate tax revenue, and improve environmental quality for their citizens.

The 1998 President's Budget requests **\$2,094.2 million** and **3,788 workyears** an increase of \$700 million and 138 workyears over 1997. Of the total budget request, **\$39.8 million** and **126 workyears** will be transferred to the Science and Technology account for research and development efforts and **\$11.6 million** and **103 workyears** will be transferred to the Inspector General for audit activities. The 1998 Budget also includes extensions of the Superfund excise and corporate environmental taxes and proposes mandatory spending for costs allocated to identifiable, but financially nonviable parties (known as orphan shares). Funding orphan shares will increase fairness as PRPs are compensated for a portion of the orphan share contribution to site cleanup. Since the orphan share funding is mandatory and would be sought as part of comprehensive Superfund reauthorization legislation, it is not included in the program and Agency request for discretionary funding.

The President's Budget request includes \$700.0 million to implement his environment initiative announced in Kalamazoo, Michigan. This initiative includes \$650.0 million to accelerate Superfund cleanups, the first installment of a total of \$1,300.0 million. This funding will enable cleanup of an additional 250 NPL sites through the year 2000, in order to achieve the overall goal of 900 cleanups (or two-thirds of all currently listed sites). The President's initiative also includes \$50 million to expand the Brownfields Economic Redevelopment Initiative to help cleanup and redevelop contaminated, former industrial sites.

HIGHLIGHTS

The President's Budget requests \$1,594.7 million and 1,586 workyears for Superfund's cleanup program, an increase of 77% and 104 workyears over 1997. To implement the President's environmental commitment to protect communities from toxic pollution, the 1998 Budget provides additional resources to accelerate the number of Superfund cleanups and promote cleanup and redevelopment of brownfields sites. Funds will also be provided to continue program priorities such as state and tribal government support, and community outreach. In addition, the Budget provides 148 workyears, which are funded through a reimbursable agreement with the Department of Defense, to assist with the cleanup and restoration of federally owned facilities and bases as part of the Base Realignment and Closure Act of 1990. In 1998, Superfund's Federal facility program will also respond to requests to facilitate and assist with the transfer of Federal properties for use and redevelopment.

Strengthening Cleanups through Partnerships

As part of the President's environmental initiative, the 1998 Budget requests an additional \$641.2 million and 67 workyears which will go to Superfund's Response program to begin construction at an additional 150 National Priorities List (NPL) cleanups in 1998. This further supports completion of an additional 250 sites to achieve the overall goal of 900 NPL cleanups through the year 2000. The 1998 increase

represents the first of two installments designed to strengthen the Agency's commitment to address contaminated sites and put them back into economic use. By cleaning up contaminated sites, the threat to human health and the environment will be reduced and contaminated land will be put back into economic use at approximately two-thirds of all sites on the NPL through the year 2000. Addressing sites earlier in the process reduces overall health risks of individuals living near these sites as well as construction costs because the Agency is able to begin construction before circumstances at sites deteriorate.

The President's Budget requests \$86.4 million and 57 workyears to implement and expand the Brownfields Initiative. Economic redevelopment at contaminated sites will remain a high priority for the Superfund Response program and the 1998 Budget requests an additional \$50.0 million for brownfields as part of the President's environmental initiative. In 1998, the Agency will provide assessment grants to 75 cities and capitalization of revolving loan fund grants for cleanup in 106 cities. In addition, funds will be used to support expansion of job training and workforce activities related to brownfields; to perform targeted site assessments; and to expand, enhance and develop state voluntary cleanup programs. EPA is committed to help revitalize brownfields as a way to breathe new economic life into communities across the Nation.

The Agency recognizes that communities, states and Federally recognized Indian tribes are major stakeholders in the assessment, cleanup and redevelopment of contaminated land. Public involvement in the Superfund program is a natural outcome of our democratic system and from our belief that without stakeholder support and understanding, no project will satisfy the needs of the community it is designed to help. Soliciting early stakeholder input on land use, reasonable exposure pathways, characteristics of affected populations, remedy selection, and risk helps develop cleanup options tailored to communities' unique requirements. The 1998 Budget requests \$21.7 million and 31 workyears to perform community relations activities. These funds will be used to continue promoting early, meaningful public involvement in the Superfund cleanup process. The President's Budget also requests

funds for states and Federally recognized Indian tribes to help implement hazardous waste cleanup programs. In 1998, \$29.2 million and 15 workyears will be requested to support the development and enhancement of state and tribal governments' hazardous waste programs.

Making Polluters Pay While Emphasizing Fairness

The 1998 President's Budget requests \$174.6 million and 1,239 workyears for the Superfund Enforcement program, an increase of \$3.4 million and 23 workyears. The Agency will continue its efforts to obtain PRP response actions to ensure that responsible parties cooperatively contribute their equitable share toward cleaning up Superfund hazardous waste sites. Where PRP negotiations fail, the Agency will either take enforcement actions to compel PRP cleanup or use Trust Fund dollars to remediate sites.

The Civil Enforcement program will assist in CERCLA case development by providing support for litigation actions including affidavits and depositions. The program will also apply legally defensible scientific procedures and technical and financial analysis to support Superfund enforcement cases.

The Cost Recovery program will recoup moneys expended from the Trust Fund from viable responsible parties. Where settlement negotiations and previous enforcement actions have failed to achieve PRP response, and Trust Fund dollars are used to clean up sites, the program takes actions against PRPs to recover past expenditures. Recovered funds are returned to the Trust Fund so they can be available to clean up other contaminated sites. The program will achieve cost recovery through administrative settlements, CERCLA section 107 case referrals to the Department of Justice, and alternative dispute resolutions to improve early case resolution.

In 1998, the Enforcement program will devote \$2.8 million and 33 workyears to support the President's environmental initiative to accelerate the number of cleanups at the worst hazardous waste sites. These resources will be used to achieve fair share settlements at

pre-remedial design and pre-construction sites, and for assuring compliance of PRPs conducting cleanups.

The Agency will also implement various Superfund pilot reforms to increase fairness and reduce transaction costs in 1998. The program will make orphan share determinations, expedite settlements to facilitate early de minimis agreements, arrange settlements with parties with limited ability to pay, and compensate PRPs for a portion of the orphan share contribution for remedial design/remedial action settlements.

The Agency will ensure PRP compliance with orders and consent decrees at non-Federal and Federal facilities through the Compliance Assurance program. The program will monitor PRP compliance with orders for remedial investigation/feasibility studies and removals and with remedial design/remedial actions undertaken by PRPs. The Agency will continue negotiations with Federal Facilities to reach CERCLA Section 120 agreements for NPL cleanups. The Agency also expects to revise many of the existing agreements in 1998 due to decisions of the Federal Facilities Environmental Restoration Dialogue Committee and changes in cleanup goals at Federal facilities. The Agency will assist federal agencies and sites in controlling costs and in obtaining regulatory flexibility.

The strongest possible sanctions for egregious violations of Superfund will be brought to bear through the criminal enforcement program. The Agency's criminal investigators will pursue investigative leads of CERCLA violations, develop information to support grand jury inquiries and decisions, and refer leads to other agencies or pursue joint investigations as appropriate. The program will refer cases to the U.S. Attorney's Offices or the Department of Justice for prosecution.

Integrating Other Federal Agency Partners

The Agency works with several Federal agencies to perform essential services in areas where the Agency does not possess the specialized expertise. The 1998 President's Budget requests \$152.1 million for our Federal Agency Partners. The Agency for Toxic Substances and Disease

Registry (ATSDR), the National Institute for Environmental Health Sciences (NIEHS), and the Department of Justice receive 93% of Superfund resources allocated to other Federal Agencies.

The President's Budget requests \$64.0 million for ATSDR to conduct public health assessments at NPL and non-NPL sites; maintain toxicology databases for chemicals found at sites; and provide health education to health care providers, local and national health organizations, and state and local health departments. The Agency anticipates that an additional 150 construction starts in 1998 will heighten the awareness of the citizenry surrounding Superfund sites on potential health effects. The 1998 Budget requests as part of the President's environmental initiative, \$6.0 million for ATSDR to address community concerns regarding how the implementation of cleanup designs associated with the additional construction starts affects their health and the surrounding environment.

The President's Budget requests \$48.5 million for NIEHS to manage a worker training grants program which trains workers who are, or may be, working with hazardous waste. NIEHS will also continue to fund a maturing basic research program which focuses on assessing the impacts of complex chemical mixtures on humans; however, the 1998 Budget provides for a modest decrease in the basic research program at NIEHS in recognition of this maturing program.

The President's Budget requests \$29.7 million for the Department of Justice (DOJ). DOJ plays a critical role in Superfund's 'Enforcement First' strategy. In 1998, DOJ will continue to litigate and settle cleanup agreements and cost recovery cases and seek civil penalties if necessary. The remaining Federal agencies that support Superfund activities are the United States Coast Guard, the National Oceanic and Atmospheric Administration, the Department of Interior, the Federal Emergency Management Agency and the Occupational Safety and Health Administration.

Providing Support Services

The 1998 President's Budget requests \$86.5 million and 289 workyears for management

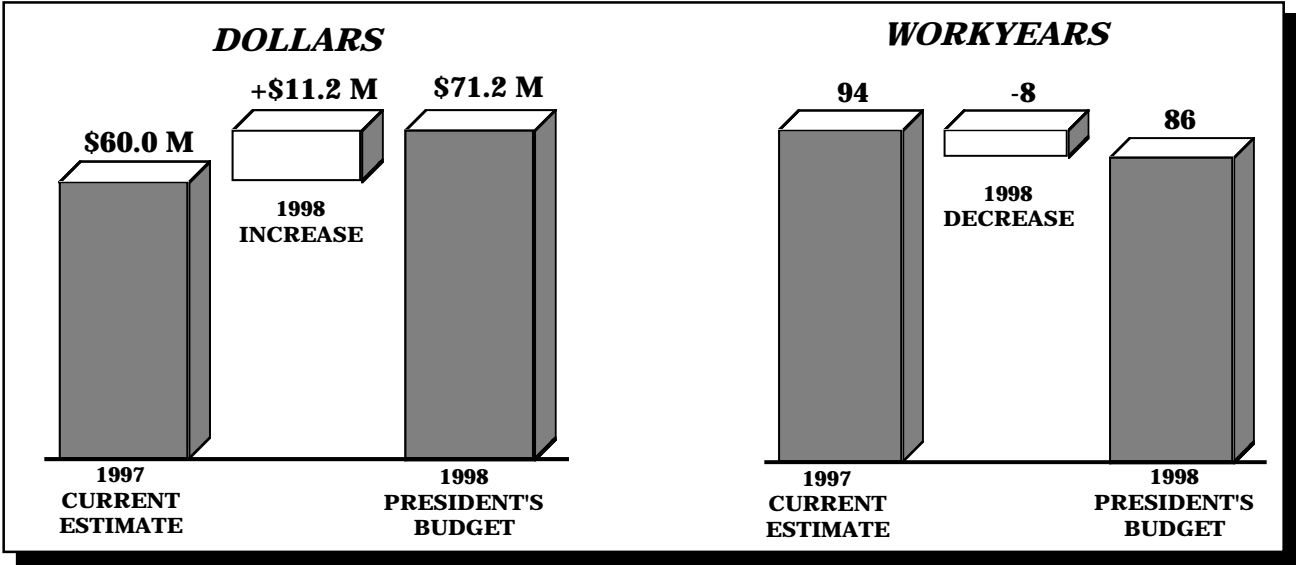
and support services essential to the operation of the Superfund program, an increase of \$5.6 million and five workyears over 1997. Major Agency management activities include Facilities Management, Contracts and Grants Management, Information Systems and Services, and Human Resources Management. Major Agency infrastructure activities include nationwide services to maintain and enhance agency facilities (rent and utilities), and provide office, building, and maintenance services (security, printing, equipment maintenance).

The Agency's priority is to provide management services, infrastructure, operations, and workforce support. Specifically, the Agency will focus on its highest priorities: reinventing EPA management; supporting strong science and data; fostering effective partnerships; strengthening our stewardship and fiscal integrity of the Agency's contracting and grant assistance resources; and maintaining essential infrastructure support.

Providing Core Financial Services

The Agency requests a total of \$25.5 million and 238 workyears to perform Agency-wide resource management and control functions including budget development, budget utilization, financial accounting and fiscal operations. Resources will also support the development of Agency-wide resource management policies and national guidance and operation and maintenance of the Integrated Financial Management System. In addition, resources will enable the Agency to provide assistance to the Superfund cost recovery program. Further, the Agency will provide leadership for the development of performance based management tools consistent with the National Performance Review, the Government Performance and Results Act, the Government Management Reform Act, and the Chief Financial Officers' Act; devote resources to EPA's own streamlining and administrative reform initiatives; and continue to develop and implement the management processes and information systems needed to improve EPA's ability to manage for results.

LUST



Leaks of petroleum and other products from underground storage tanks can pose a serious threat to human health and the environment. These leaks can cause fires and/or explosions and contaminate the public's groundwater supplies. Underground storage tanks are found at gas and service stations, convenience stores, bus depots and federal facilities.

States have reported that leaking underground storage tanks (LUSTs) are the leading source of groundwater pollution, and petroleum is the most prevalent contaminant. Over two million underground storage tanks are regulated by EPA, and approximately 317,000 confirmed releases have been discovered since 1990. Of the cumulative number of confirmed releases, over 150,000 cleanups have been completed, leaving over 160,000 cleanups that need to be initiated. As owners and operators comply with the December 31, 1998 deadline for upgrading, replacing or closing tanks, the Agency estimates an additional 100,000 releases may be discovered.

The LUST program operates under the authority of Subtitle I of the Hazardous and Solid Waste Amendments of 1984, as amended by the Superfund Amendments and Reauthorization Act (SARA) of 1986. The LUST Trust Fund excise tax, a one-tenth of one cent per gallon tax on motor fuels, was authorized by SARA and reauthorized by the Omnibus Budget and Reconciliation Act of

1990. The excise tax expired in December of 1995. The Administration is proposing to reinstate the LUST tax effective upon enactment.

The LUST program was established to provide resources for the oversight and enforcement of cleanup of releases from underground storage tanks. Resources can also be used to pay for cleanups where the owner/operator is unknown or is unable to conduct the cleanup. The goal of the LUST program is to ensure rapid and effective responses to releases from underground storage tanks and to restore contaminated sites to their beneficial use. The vast majority (85%) of the program's federal resources are given directly to the states and tribes. States use this money to provide technical oversight of responsible party-lead cleanups, address emergency response actions, and perform state-lead cleanups. The LUST funding will be used to support cleanups in all 50 states and six territories. (Florida, for the first time, will apply for funding in 1997). EPA will work in partnerships with state, local, and tribal governments to develop the capacity to implement the LUST program, develop alternative approaches to increasing regulatory compliance, and increase enforcement capabilities.

The 1998 President's Budget requests a total of **\$71.2 million** and **86 workyears** for the Leaking Underground Storage Tank (LUST) Appropriation, an increase of \$11.2 million (nearly

19%) from 1997. In 1998 there are no dollars or workyears transferred to the Inspector General Account for audit support activities as a result of a reduced LUST workload. Eighty-five percent of the funding will go directly to state and tribal governments to assist in cleanup, oversight, state-lead cleanups and release identification. The remaining funding is used by the Agency to provide State LUST technical assistance programs, to sustain a strong Agency enforcement program, to promote further innovative technology research, and to provide central Agency administrative support.

The Administration is proposing to expand the uses of the LUST Trust Fund to include several related EPA programs, including the Underground Storage Tank Program, the Underground Injection Control Program and the Groundwater Protection Program. The Administration believes that these existing programs should be funded from the LUST Trust Fund because they also address groundwater protection from underground sources of contamination. The \$53 million needed to implement these programs in 1998 would continue to be requested through the Environmental Programs and Management and State and Tribal Assistance Grants appropriations accounts. However, the General Fund will be reimbursed for the cost of these programs through a \$53 million payment from the LUST Trust Fund. Authorizing and appropriations language will be required.

HIGHLIGHTS

Investing in State Cooperative Agreements in 1998 will allow states and Indian tribes to initiate 27,000 cleanups and to complete 22,000 cleanups. The funding increment reflects the Agency's anticipation that the number of confirmed releases will increase in 1998 as owners and operators comply with the December 31, 1998 deadline for upgrading, replacing or closing tanks.

Supporting State Assistance

The 1998 President's Budget requests a total of \$67.2 million and 65 workyears to implement the LUST response program, an

increase of over \$11 million (nearly 20%) from 1997. The grounds for this investment is underscored by the Agency's anticipation that an additional 100,000 releases will be discovered as owners and operators comply with the December 31, 1998 deadline for upgrading, replacing, or closing tanks. In addition, the State of Florida, which has a large regulated universe of underground storage tanks but had not previously requested funding, will now receive funding from the LUST Program.

Eighty-five percent of LUST resources are provided directly to states and tribes in order to support implementation of strong corrective action programs. A priority in 1998 will be to provide national program direction, policy interpretations, technical cleanup assistance and outreach support to state and tribal governments. The states will identify leaking tanks, encourage and compel owners and operators to respond to the leaks and take response actions where owners and operators are unknown, unable or unwilling to respond.

The Agency will continue to assist states in redesigning their corrective action processes to incorporate risk-based decision making. Risk-based corrective action processes help state, local and tribal governments focus cleanup and oversight activities on the highest risk sites. The Agency will continue to provide technical support to the states and seed money to the American Society of Testing and Materials for comprehensive training and implementation support to state and tribal governments. In addition, continued outreach by the states will be provided to tribal governments through Regional technical assistance. Specific projects will include the development and implementation of a risk-based corrective action process along with corrective action training and support.

In an effort to further privatize the LUST program, EPA will continue to involve the private sector more directly in major functions at the federal and state level. This will be conducted by developing private sector incentives for good tank management as well as timely, cost-effective cleanups. The Agency will continue to assist states in developing licensed site professional programs to review and approve corrective action plans and analyze site assessment reports at lower risk LUST sites. This will enable states to

increase the number of cleanups completed without increases in their own staffing. For further support to the states, EPA will work with the real estate, banking and insurance industries to inform customers and clients about the UST requirements when they buy or sell property or apply for loans or insurance.

Encouraging Voluntary Compliance through Enforcement

In 1998, the LUST enforcement program will continue to target responsible parties to finance or conduct corrective actions. The 1998 President's Budget requests \$0.5 million and a total of six workyears for LUST enforcement, an increase of more than \$186 thousand over 1997 in enforcement funding. The Agency will provide technical assistance for state site enforcement with minimal Federal oversight and involvement.

Evaluating New Technologies

The Agency requests a total of \$0.7 million and two workyears for LUST research and development, an increase of \$27 thousand over 1997. EPA will continue engineering cost analysis of corrective action options to allow for a sounder evaluation of costs in making corrective action decisions. In addition, the Agency's Leak Detection and Prevention Research Program will continue research on a variety of leak detection methods with particular emphasis on aboveground tanks and large pipelines.

Providing Fundamental Support Services

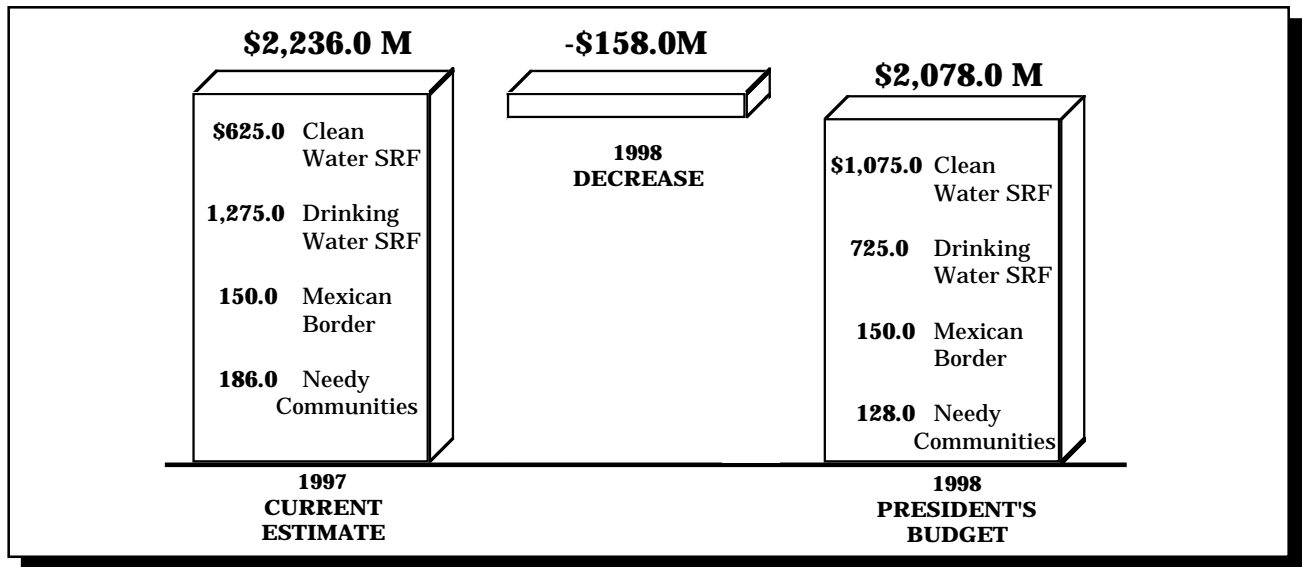
The 1998 President's Budget requests \$1.3 million and three workyears for management and support services essential to the operation of the trust fund program, an increase of \$0.2 million over 1997. Resources will ensure that Agency facilities are maintained, modified and/or built to an environmentally efficient, safe and healthy standard. In addition, resources will provide at least six Project Officer (PO) Training classes to certify program staff responsible for monitoring and technical oversight of assistance agreements. The Agency will perform at least two regional/recipient oversight visits to ensure fiscally responsive management of EPA's assistance agreements.

Providing Core Financial Services

The Agency requests a total of \$0.7 million and ten workyears, an increase of \$0.3 million over 1997, to perform Agency-wide resource management and control functions including budget development, budget utilization, financial accounting and fiscal operation, in addition to Agency priorities such as reinvention of EPA management and administrative processes. Major activities include annual planning and budgeting, financial management, as well as support for a full range of accounting and fiscal services to program offices including time and attendance, travel and commercial payments. Core financial services are also provided and include all EPA payroll processing and accounting, contracts, interagency agreements, program assistance agreements, and working capital fund agreements.

**WATER
INFRASTRUCTURE
FINANCING**

WATER INFRASTRUCTURE FINANCING



With approximately \$137 billion in documented needs over the next 20 years for wastewater infrastructure alone, the Nation's cities are faced with an enormous price tag for keeping our rivers, streams, and beaches free from untreated sewage. Vast quantities of pollution contaminate residential areas and wildlife habitats along our border with Mexico. In Alaska native villages, more than 20,000 people lack even the most rudimentary 20th century sanitation facilities and technology.

In hundreds of cities and towns, the systems for ensuring safe drinking water lag behind modern demands. In some cases, the costs associated with meeting national standards for drinking water quality ('maximum contaminant levels') have outstripped a community's investment in drinking water treatment and distributions systems. In other cases, aging and deteriorated systems need to be restored to ensure continued protection of public health.

The State and Tribal Assistance Grants (STAG) Appropriation provides financial assistance to states, municipalities and tribal governments to fund a variety of drinking water, water, and wastewater 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. States and localities rely on a variety of revenue sources to

finance their environmental programs and to pay for the facilities needed to keep the water clean and safe from harmful contaminants.

Providing STAG funds through State Revolving Fund (SRF) programs, EPA works in partnership with the states to provide low-cost financial assistance to municipalities for infrastructure construction. SRF funds are also provided as grants to tribal governments to help them address their water, drinking water, and wastewater needs. Special Needs projects also provide focused wastewater grant assistance to local areas facing extraordinary needs.

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 and for wastewater projects in the U.S. colonias (principally in the state of Texas). The goal of this program is to reduce the incidence of waterborne diseases and enhance water quality along the Mexico border and in the U.S. colonias.

The President's Budget requests a total of **\$2,078.0 million** in 1998 for EPA's Water Infrastructure programs, a decrease of \$158.0 million from 1997. This decrease is the net result of a \$100.0 million reduction in the SRF program, a \$85.0 million reduction in 1997 Congressional earmarks, and a \$27.0 million increase for Special Needs projects.

WATER INFRASTRUCTURE FINANCING

HIGHLIGHTS

The President's Budget provides a total of \$1.8 billion for State Revolving Funds (SRFs) within the State and Tribal Assistance Grants Appropriation, a decrease of \$100.0 million from 1997. 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 SRFs are two of the Agency's premier tools for building the financial capacity of our partners.

Capitalizing Clean Water State Revolving Funds (CW-SRF)

As part of the President's environmental initiatives, the Administration will continue to capitalize the Clean Water State Revolving Funds (CW-SRF) which have over \$20 billion in assets and are in place in all 50 states and Puerto Rico. The Administration's goal is to continue to capitalize the SRF so that it will be able to provide approximately \$2.0 billion annually in assistance to communities to help fund critical water quality projects. The \$100.0 million decrease in this program will not have a significant effect on meeting the \$2.0 billion revolving goal. Because of the revolving nature of the SRF program, every dollar invested will result in four dollars' worth of financing available for environmental protection over the next 20 years.

The Clean Water State Revolving Fund program is a true partnership between states, localities, and the federal government. In 1998, the President is requesting \$1,075.0 million for the CW-SRF. The federal government provides financial assistance for wastewater and other water projects, including nonpoint sources, estuaries, stormwater, and combined sewer overflows. Water infrastructure projects contribute to direct ecosystem improvements through reduced loadings of nutrients and toxic pollutants in all types of surface waters.

Capitalizing Drinking Water State Revolving Funds (DW-SRF)

In 1998, the President is requesting \$725.0 million for the DW-SRF. Through the Drinking Water State Revolving Fund program, states will provide loans to finance improvements to community water systems and to restructure small systems so that they can achieve compliance with the mandates of the new Safe Drinking Water Act (SDWA). Some non-state recipients, such as the District of Columbia and Indian tribes, will receive their DW-SRF allocations in the form of grants. The DW-SRFs will be self-sustaining in the long run and will directly help offset the rising costs of ensuring safe drinking water supplies and assist small communities in meeting their responsibilities. With the authorization of the DW-SRF in the 1996 SDWA Amendments, the Agency has undertaken the development of interim guidance for the administration of this loan program. A Needs Survey to determine the full extent of drinking water improvements required nationwide will be released in early 1997 and will be used in the development of the 1998 state allocation formula.

Continuing Mexico Border Efforts

The President's Budget requests a total of \$150.0 million for water infrastructure projects 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. The President requests \$100.0 million for drinking water and wastewater treatment projects reviewed and approved by the Border Environment Cooperation Commission (BECC). Funding at the level of \$50.0 million is being requested to bring wastewater treatment to the U.S. colonias settlements along the Border in Texas. These funds will be matched by an equal amount of state funds.

Supporting Alaskan Native Villages

The President's Budget requests \$15.0 million for Alaska rural and native villages for the construction of wastewater and drinking water facilities to address very 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.

Assisting Needy Communities

The President's Budget requests \$113.0 million for the construction of wastewater treatment facilities for Boston Harbor, MA, Bristol County, MA, and New Orleans, LA. Funds are targeted to these areas because of special circumstances including financial hardship and unique sewer system problems.

APPENDIX: BUDGET TABLES

ENVIRONMENTAL PROTECTION AGENCY SUMMARY OF AGENCY RESOURCES

(DOLLARS IN THOUSANDS)

<u>PROGRAM</u>	<u>1997 CURRENT ESTIMATE</u>	<u>1998 PRESIDENT'S BUDGET</u>	<u>1998-1997 DIFFERENCE TOTAL DOLLARS</u>
Environmental Programs and Management			
- Air	\$253,206.4	\$312,980.3	+\$59,773.9
- Water Quality	272,847.4	274,865.4	+2,018.0
- Drinking Water	94,512.9	105,317.9	+10,805.0
- Hazardous Waste	174,007.3	181,061.2	+7,053.9
- Pesticides	104,526.1	105,824.5	+1,298.4
- Radiation	17,689.2	16,846.5	-842.7
- Multimedia	274,818.7	307,425.1	+32,606.4
- Toxic Substances	78,892.8	86,397.0	+7,504.2
Support	[242,540.0]	[249,663.9]	[+7,123.9]
Management	[239,180.2]	[247,209.1]	[+8,028.9]
- Subtotal Management & Support	481,720.2	496,873.0	+15,152.8
State, Local, and Tribal Grants (STAG)	\$674,207.0	\$715,257.0	+\$41,050.0
Buildings and Facilities	\$87,220.0	\$141,420.0	+\$54,200.0
Science and Technology	\$552,000.0	\$614,269.4	+\$62,269.4
Office of the Inspector General (OIG)	28,500.0	28,500.0	0.0
Oil Spills	15,000.0	15,000.0	0.0
SUBTOTAL OPERATING PROGRAMS	\$3,109,148.0	\$3,402,037.3	+\$292,889.3
Hazardous Substance Response	\$1,348,245.0	\$2,042,847.8	+\$694,602.8
Trust Fund (Superfund)			
OIG Superfund	11,000.0	11,641.3	+641.3
Superfund Research	35,000.0	39,755.9	+4,755.9
SUBTOTAL SUPERFUND	\$1,394,245.0	\$2,094,245.0	+\$700,000.0
Leaking Underground Storage	\$59,423.0	\$71,210.7	+\$11,787.7
Tank Trust Fund (LUST)			
OIG LUST	577.0	0.0	-577.0
SUBTOTAL LUST	\$60,000.0	\$71,210.7	+\$11,210.7
Water Infrastructure Financing (STAG)	\$2,236,000.0	\$2,078,000.0	-\$158,000.0
GRAND TOTAL	\$6,799,393.0	\$7,645,493.0	+\$846,100.0

ENVIRONMENTAL PROTECTION AGENCY SUMMARY OF AGENCY RESOURCES

(WORKYEARS)

<u>PROGRAM</u>	<u>1997 CURRENT ESTIMATE</u>	<u>1998 PRESIDENT'S BUDGET</u>	<u>1998-1997 DIFFERENCE TOTAL FTE</u>
Environmental Programs and Management			
- Air	1,657	1,583	-74
- Water Quality	1,830	1,828	-2
- Drinking Water	635	714	+79
- Hazardous Waste	1,312	1,320	+8
- Pesticides	941	1,005	+64
- Radiation	126	113	-13
- Multimedia	1,739	1,792	+53
- Toxic Substances	589	610	+21
- Management	2,650	2,631	-19
Science and Technology	2,327	2,415	+88
Office of the Inspector General (OIG)	297	294	-3
Oil Spills	104	104	0
SUBTOTAL OPERATING PROGRAMS	14,207	14,409	+202
Hazardous Substance Response Trust Fund (Superfund)	3,417	3,559	+142
OIG Superfund	106	103	-3
Superfund Research	127	126	-1
SUBTOTAL SUPERFUND	3,650	3,788	+138
Leaking Underground Storage Tank Trust Fund (LUST)	88	86	-2
OIG LUST	6	0	-6
SUBTOTAL LUST	94	86	-8
GRAND TOTAL	17,951	18,283	+332