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## **EPA's Mission**

The mission of the Environmental Protection Agency (EPA) is to protect and safeguard human health and the environment, with a new focus on collaboration and partnerships with our Geographic and Regional partners. This budget supports the Administration's commitment to environmental results – increasing the pace of improvement and identifying new and better ways to carry out our mission.

### **Annual Performance Plan and Congressional Justification Overview**

The EPA's FY 2006 Annual Performance Plan and Congressional Justification requests \$7.6 billion in discretionary budget authority and 17,631 Full Time Equivalents (FTE). This request reflects the Agency's efforts to work with its partners toward protecting air, water, and land, as well as providing for EPA's role in safeguarding the Nation from terrorist acts. The request echoes the Administration's commitment to setting high environmental protection standards, while focusing on results and performance, and achieving goals outlined in the President's Management Agenda.

#### **Goal 1: Clean Air and Global Climate Change**

*Protect and improve the air so it is healthy to breathe and risks to human health and the environment are reduced. Reduce greenhouse gas intensity by enhancing partnerships with businesses and other sectors.*

The FY 2006 EPA President's Budget implements the Clean Air and Global Climate Change goal through national programs designed to provide healthier outdoor and indoor air for all Americans, protect the stratospheric ozone layer, minimize the risks from radiation releases, reduce greenhouse gas intensity, and enhance science and research. EPA's key clean air programs – particulate matter, ozone, acid rain, air toxics, indoor air, radiation and stratospheric ozone depletion – address some of the highest health and environmental risks faced by the nation.

EPA's strategy for achieving clean outdoor air includes a comprehensive, multi-pollutant approach that combines national and local measures, with implementation responsibilities carried out by the most appropriate and effective level of government. To address the high priority of reducing nitrogen oxides and sulfur dioxide emissions, the Agency continues to promote the enactment of the Clear Skies legislation that the Administration submitted to Congress in 2002. Although Clear Skies is the more comprehensive and cost effective approach and therefore the strongly preferred solution, the Administration is also pursuing a regulatory path that would achieve many of the same benefits should legislation not be enacted. EPA has proposed the Clean Air Interstate Rule (CAIR) which regulates the transport of power plant emissions of SO<sub>2</sub> and NO<sub>x</sub> across state lines via a market-based approach similar to Clear Skies and the existing Acid Rain program. Clean fuels and clean technologies are also an integral part of reducing emissions from mobile sources. The FY 2006 President's Budget provides \$15.0 million for the Clean Diesel Initiative. EPA and a coalition of clean diesel interests will work together to

expand the retrofitting of diesel engines into new sectors by adopting a risk-based strategy, targeting key places and working with specific use sectors to identify opportunities to accelerate the adoption of cleaner technologies.

EPA's Climate Protection Programs will continue to contribute to the President's 18 percent greenhouse gas intensity reduction goal by 2012. A FY 2006 funding initiative for the Climate Change Program is the Methane to Markets Partnership – a U.S. led international initiative that promotes cost-effective, near-term methane recovery and use as a clean energy source. The program provides for the development and implementation of methane projects in developing countries and countries experiencing economic transition.

## **Goal 2: Clean and Safe Water**

*Ensure drinking water is safe. Restore and maintain oceans, watersheds, and their aquatic ecosystems to protect human health, support economic and recreational activities, and provide healthy habitat for fish, plants and wildlife.*

The FY 2006 EPA President's Budget implements the Clean and Safe Water goal through programs designed to provide improvements in the quality of surface waters and drinking water. In FY 2006, EPA will work with States and tribes to continue to accomplish measurable improvements in the safety of the nation's drinking water, and in the conditions of rivers, lakes, and coastal waters. With the help of these partners, EPA expects to make significant progress in these areas, as well as support a few more focused water initiatives.

During FY 2006, EPA, the States, and community water systems will build on past successes while working toward the FY 2008 goal of assuring that 95 percent of the population served by community water systems receives drinking water that meets all applicable standards. To help ensure that water is safe to drink, the FY 2006 President's Budget requests \$850 million for the Drinking Water State Revolving Fund.

In FY 2006, EPA will work with States to make continued progress toward the clean water goals to implement core clean water programs, including innovations that apply programs on a watershed basis, and to accelerate efforts to improve water quality on a watershed basis. To protect and improve water quality, a top priority is to continue to support water quality monitoring. The Agency's request expands the monitoring initiative begun in FY 2005 to establish a nationwide monitoring network and expand the baseline water quality assessment to lakes and streams. The initiative will allow EPA to establish scientifically defensible water quality data and information essential for cleaning up and protecting the Nation's waters. To support sustainable wastewater infrastructure, EPA will continue to provide annual capitalization to the Clean Water State Revolving Funds (CWSRF). The budget will allow EPA to meet the Administration's Federal capitalization target of \$6.8 billion total for 2004 – 2011 and enable the CWSRF to eventually revolve at a level of \$3.4 billion.

### **Goal 3: Land Preservation and Restoration**

*Preserve and restore the land by using innovative waste management practices and cleaning up contaminated properties to reduce risks posed by release of harmful substances.*

The FY 2006 President's Budget implements the Land Preservation and Restoration goal through continued promotion of the Land Revitalization Initiative, first established in 2003. Revitalized land can be used in many beneficial ways, including the creation of public parks, the restoration of ecological systems, the establishment of multi-purpose developments, and the establishment of new businesses. Regardless of whether a property is an abandoned industrial facility, a waste disposal area, a former gas station, or a Superfund site, this initiative helps to ensure that reuse considerations are fully integrated into all EPA cleanup decisions and programs. Through the One Clean-up Program, the Agency will also work with its partners and stakeholders to enhance coordination, planning and communication across the full range of Federal, State, Tribal and local clean-up programs to promote consistency and enhanced effectiveness at site cleanups.

Enforcement activities are also critical to the Agency's ability to clean up the vast majority of the nation's worst hazardous sites, by securing funding from Potentially Responsible Parties (PRPs). The Agency will continue to encourage the establishment and use of Special Accounts within the Superfund Trust Fund to finance cleanups. These accounts segregate site-specific funds obtained from responsible parties that complete settlement agreements with EPA. These funds create an incentive for other PRPs to perform work they might not be willing to perform or used by the Agency to fund clean up. The result is the Agency can clean up more sites and preserve appropriated Trust Fund dollars for sites without viable PRPs.

The FY 2006 President's Budget funds the Superfund Appropriation at \$1.3 billion. Within this total, the Superfund Remedial Program provides significant resources in EPA's effort to preserve and restore land to productive use. In FY 2006, EPA anticipates completing construction of remedies at 40 Superfund sites.

The FY 2006 President's Budget will also continue to promote the minimization of waste. Through the Resource Conservation Challenge, a national effort has been launched to challenge every American to prevent pollution and promote recycling and reuse, and conserve energy and materials. In FY 2006, EPA's municipal solid waste program will implement a set of coordinated strategies, including source reduction (also called waste prevention), recycling (including composting), combustion with energy recovery, and landfilling.

### **Goal 4: Healthy Communities and Ecosystems**

*Protect, sustain, or restore the health of people, communities, and ecosystems using integrated and comprehensive approaches and partnerships.*

The FY 2006 President's Budget implements the Healthy Communities and Ecosystems goal through a blend of regulatory, voluntary and incentive-based programs. Some environmental issues are best resolved through multi-media, multi-stakeholder approaches. The Healthy Communities and Ecosystems goal seeks to reduce risks through community and geographically based programs: Brownfields, Wetlands protection, and our nation's great water bodies programs such as the Great Lakes, Gulf of Mexico and Chesapeake Bay. Another focus is on ensuring safer chemicals and pesticides, which impact all media. FY 2006 will be a key year for the chemicals and pesticides programs as the Agency works to complete the final milestone in the ten-year pesticide tolerance reassessment program, which ensures older food-use pesticides meet the latest scientific standards for safety. Core research in this goal provides the scientific basis for EPA's human health and ecosystem programs and explores cutting-edge issues that may become the problems, or the solutions, of future environmental protection.

In FY 2006, vital community restoration of abandoned contaminated properties will remain a priority as the Brownfields program continues at \$210 million. The Great Lakes program will meld multi-media and multi-stakeholder efforts to remedy pollution, with the Great Lakes Legacy program increasing to \$50 million to remediate sediment contaminated by improperly managed old industrial chemicals, Toxic chemicals reduction is also the emphasis of Community Action for a Renewed Environment projects, with an increase of \$7 million, which will offer many more communities the opportunity to improve their environment through voluntary action. In the research area, over \$5 million is requested for the Advanced Monitoring Initiative to combine information technology with remote sensing capabilities, to allow faster, more efficient response to changing environmental conditions such as forest fires or storm events, as well as current ecosystems stressors in sensitive areas such as the Great lakes or the Everglades.

#### **Goal 5: Compliance and Environmental Stewardship**

*Improve environmental performance through compliance with environmental requirements, preventing pollution, and promoting environmental stewardship. Protect human health and the environment by encouraging innovation and providing incentives for governments, businesses, and the public that promote environmental stewardship.*

The FY 2006 President's Budget implements the Compliance and Environmental Stewardship goal through technical assistance and education, inspection and enforcement; encouraging innovation and pollution prevention; and through capacity-building and support for tribal environmental programs. Compliance assistance and enforcement are critical components of environmental protection. EPA supports the regulated community by assuring requirements are clearly understood, and by helping industry identify cost-effective compliance options. Compliance is maximized through assistance and incentives, and enforcement.

In 2004, the Agency achieved over one billion pounds in pollutant reduction through enforcement actions. In FY 2006 EPA will further refine its 'smart enforcement' strategy that combines inspection, enforcement and compliance assistance strategies. The EPA will assist the regulated community in understanding and complying with environmental laws and regulations,

and will reduce noncompliance through inspections, monitoring and ultimately through enforcement, where needed. The Agency will respond to complaints from the public; strive to secure a level economic playing field for law-abiding companies; and deter future violations.

The agency also works to improve and encourage pollution prevention and sustainable practices, helping industry move beyond compliance and become partners in protecting our national resources and our citizens' health. EPA works with manufacturers to increase energy efficiency, find environmentally preferable substitutes for chemicals of concern, and change processes to reduce toxic waste. Innovative front end approaches also support state- and tribal-level efforts to reduce pollution, leverage technology and increase communication through data sharing and collaboration.

In FY 2006 EPA will continue to work with industrial sectors to set pollution reduction goals, provide tools and technical assistance, and identify innovative strategies to reduce risks. In the tribal GAP program, the Agency will support approximately 510 federally recognized Tribes in assessing environmental conditions on their lands and building environmental programs tailored to their needs. In addition, the tribal program is looking to information technology solutions and will integrate 10 existing Agency data systems in using common Identifier codes and data standards in 2006.

## **Homeland Security**

Homeland security is a top priority for EPA and the nation. EPA plays a lead role in protecting U.S. citizens and the environment from the effects of attacks that release chemical, biological or radiological agents. Following the cleanup and decontamination efforts of 2001, the Agency has focused on ensuring we have the tools and protocols needed to detect and recover quickly from deliberate incidents. The emphasis for FY 2006 is on several areas: decontamination of threat agents, protecting our water and food supplies, and ensuring trained personnel and key lab capacities are in place to be drawn upon in the event of an emergency.

In FY 2006, the Agency request includes substantial new resources for these efforts. \$44 million will support deployment of Water Sentinel, a pilot monitoring and surveillance program that will promote early warning of intentional contamination events in drinking water systems. Critical tools, training, and exercises will complement this project, in collaboration with State, local communities and water utilities. The program includes resources to create the Water Alliance for Threat Reduction to train and prepare our nation's drinking water systems operators.

Response to terrorist events calls for decontamination from many new hazards. Environmental decontamination research and preparedness response will increase by \$19.4 million and an additional \$4 million is requested for the Safe Buildings research program. To support EPA's water security and decontamination programs, new resources (\$11.6 million) are also requested for Environmental Laboratory Preparedness and Response (ELPR) activities. ELPR will plan for certain fundamental laboratory network needs, such as, (1) identification of labs, (2) appropriate connectivity between member labs, (3) standardized methods and measurements for environmental samples of terrorism-related agents of concern, (4) training and continuing education for member laboratories, (5) accreditation and accountability.

## **Workforce**

EPA values its world class workforce and its expertise enables us to meet our urgent responsibilities across a broad range of national and local environmental issues. In 2006 we are making a modest adjustment to EPA's workforce management strategy that will help us better align resources, skills, and Agency priorities. A key step in this adjustment is improving the alignment between the total number of positions authorized and on actual FTE utilization. As such, EPA is reducing its Agency authorized FTE base by approximately 300 positions to 17,631, which is still above our current employee base and consistent with the Agency's historic FTE levels. The result of these reductions will not impede Agency efforts to maximize efficiency and effectiveness in carrying out its programs and will not result in overall change in the numbers of FTE at EPA. The program project descriptions provided later in this document, provide the details of these changes.

### **Organization of the Annual Performance Plan and Congressional Justification**

In response to Congressional request, EPA developed a Congressional Justification that presents the budget in a more succinct, programmatic format. This is distinctly different from past years. The new format provides information in a way that Congress actually reviews and makes decisions on EPA resources. The most significant change is the focus of the Agency program justifications at the program/project level. This format continues to allow us to highlight the Agency's achievement in presenting an integrated performance plan and budget request that reflects our strategic plan. There are distinct sections that address how programs are performing to achieve the strategic goals and objectives.

### **Annual Performance Plan Components**

EPA's Annual Performance Plan is integrated into the annual Budget request. To fully explain the Agency's resource needs, the Budget contains annual performance goals and performance measures that the Agency uses to achieve its results. EPA submits a stand-alone Annual Performance Plan to Congress to meet the concern expressed in GPRA that Annual plans not be voluminous presentations describing performance for every activity. The Annual Performance Plan and reports are to inform, not overwhelm the reader.

Due to timing and ongoing work on the Agency's Operating Plan, resources from the FY 2005 Consolidated Appropriations Bill are not included in this document.

The total workyears represented in program project documents contained in the Appropriation tabs represent all appropriations and not only the appropriation tab in which they appear.

## **Annual Performance Plan and Congressional Justification:**

### ***Chapters include:***

#### **Resource Summary Tables**

- Resources by Goal
- Resources by Appropriation

#### **Goal and Objective Overview (Goals 1-5)**

- Goal, Objective Statement
- Resource Table by Goal and Appropriation
  - FY 2006 Goal and Objective Overview Request

#### **Program/Project by Appropriation (EPM, ST, STAG, IG, BF, SF, LUST & OIL)**

- Resources for Appropriation
- Annotated Bill Language by Appropriation
  - Resource Table by Appropriation, Program/Project
  - Program/Project Fact Sheets (the following included within each factsheet)
    - Resource Chart (\$s, FTEs)
    - Program/Project description
    - FY 2006 Activities and Performance Highlights
    - Explanation of Change
    - Statutory Authorities

#### **Program Performance and Assessment**

- PART
  - OMB Report
  - PART Implementation Report
- Performance
  - 6-year array of APGs, PMs and Baselines
  - 6-year array of APGs, PMs and Baselines for Enabling Support Programs
  - Efficiency Measures
  - Description of Measure Development and Implementation Plans
- Verification and Validation

#### **Appendix**

- Coordination with Other Federal Agencies - Organized by Goal/Objective
- Major Management Challenges - Organized by Goal/Objective
- Special Analysis - Working Capital Fund
- Special Analysis - User Fees
- Carryover/Outlays by Appropriation Accounts
- Acronym List for Statutory Authority
- STAG Categorical Program Grants – Statutory Authority and Eligible Uses
- Program/Projects by Appropriations
- Administrative Provisions



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