Environmental Protection Agency
2004 Annual Performance Plan and Congressional Justification
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Special Analysis

ANNUAL PERFORMANCE PLAN COMPONENTS

Introduction

The Agency's approach to annual planning under the Government Performance and Results Act (GPRA) is based on a full integration of strategic planning, annual planning, budgeting, and accountability. The Agency's Annual Performance Plan and Budget submission to OMB reflects this integration; all of the components of the Annual Performance Plan are contained within the Budget. In addition, to fully explain the Agency's resource needs, the Budget contains a single set of externally reported annual performance goals and performance measures. The Agency will submit a stand-alone Annual Performance Plan to Congress to meet the legislative concern expressed in GPRA that "annual performance plans not be voluminous presentations describing performance...for every activity. The annual performance plan and reports are to inform, not overwhelm the reader."

Annual Plan Organization

The Annual Performance Plan submission to Congress contains the following elements of the Agency's Annual Performance Plan and Congressional Justification:

I. Goals
- Goal Statement
- Background and Context
- Means and Strategy
- External Factors
- Goal Resources

II. Objectives
- Objective Statement
- Key Program Resources
- Annual Performance Goals and Performance Measures:
  - (The set of APGs included in the Annual Plan are those reported in the Budget Goal Overview. The APGs and PMs in the Annual Plan represent the most significant accomplishments planned for FY2004, and are intended to be used to evaluate the Agency's performance under GPRA.)
- Verification and Validation of Performance Measures

III. Special Analysis
- EPA User Fee Program
- Major Management Challenges
- Working Capital Fund

EPA USER FEE PROGRAM

In FY 2004, EPA will have five (5) user fee programs in operation. These user fee programs are as follows:

Current Fees

- **Pesticide Tolerance Fee**

  A tolerance is the maximum legal limit of a pesticide residue in and on food commodities and animal feed. In 1954, the Federal Food, Drug, and Cosmetic Act (FFDCA) authorized the collection of fees for the establishment of tolerances on raw agricultural commodities and in food commodities. These fees supplement annual appropriated funds for EPA's Tolerance Program and are also deposited into the FIFRA Fund. Annually, the fees are adjusted by the percentage change in the Federal employee General Schedule (GS) pay scale. In FY 2004, EPA expects to replace this fee with a more comprehensive cost-recovery fee as required by the FFDCA, and as amended by FQPA. A proposed Tolerance Fee Rule was published in FY 1999. A revised final rule, including response to comments, is under review and includes a new analysis of revenues. FY 2004 fee revenue estimates of $28.3 M are based on the final rule, updated for COLA.

- **Pre-Manufacturing Notification Fee**

  Since 1989, this fee has been collected for the review and processing of new chemical Pre-Manufacturing Notifications (PMN) submitted to EPA by the chemical industry. These fees are paid at the time of submission of the PMN for review by EPA's Office of Prevention, Pesticides and Toxic Substances. PMN fees are authorized by the Toxic Substances Control Act and contain a cap on the amount the Agency may charge for a PMN review. EPA expects to collect $1,800,000 in PMN fees in FY 2004 if the existing fee structure is not altered. The removal of the statutory fee cap is discussed below under User Fee Proposals.

- **Lead Accreditation and Certification Fee**

  The Toxic Substances Control Act, Title IV, Section 402(a)(3), mandates the development of a schedule of fees for persons operating lead training programs accredited under the 402/404 rule and for lead-based paint contractors certified under this rule. The training programs ensure that lead paint abatement is done safely. Fees collected for this activity are deposited in the U.S. Treasury. EPA estimates that less than $500,000 will be deposited in FY 2004.

Pesticides Fees

This budget proposal assumes collection of tolerance fees, registration fees, and maintenance fees to ensure stable and adequate funding for pesticides evaluation work at EPA. The Administration understands there are a variety of possible legislative, fee-based approaches, that could ensure stable and predictable funding for these activities, and as such, this Administration will work with Congress and other stakeholders to explore other possible solutions.

- **Pesticides Maintenance Fee Extension**

  The Maintenance Fee has provided funding for both the Tolerance Reassessment and the Reregistration programs. It expired by statute in 2001 but was extended for a year under the 2002 appropriations bill. In FY 2004, the President's Budget envisions that a revised Tolerance Fee will provide adequate funding for the Tolerance Reassessment program. However, the Reregistration program is now running concurrently with the Tolerance Reassessment program. This budget proposes an extension through 2006 of the Maintenance fee, at the $8.2 M level, which would provide fee revenue funding support for Reregistration at a level equivalent to prior years.

- **Removal of the Statutory Cap on the Pre-Manufacturing Notification Fee**

  The Agency is proposing authorizing and appropriations language to remove the statutory cap on the existing Pre-Manufacturing Notification (PMN) fees to allow EPA to cover the full cost of the PMN program. The authorizing language would remove the current statutory cap in the Toxic Substances Control Act on the total fee that EPA is allowed to charge. The fee change would be subject to an appropriations language trigger that would allow the fees to be counted as discretionary. Under the current fee structure, the Agency would collect $1,800,000 in FY 2004. The increase in PMN fees will be deposited into a special fund in the U.S. Treasury, available to the Agency, subject to appropriation. After the anticipated rulemaking, the Agency estimates collections of an additional $4,000,000 in FY 2004.

KEY PROGRAMS BY APPROPRIATION

(Dollars in Thousands)

Key Program	Appropriation	FY 2002 Enacted	FY 2003 Pres. Bud.	FY 2004 Request
ATSDR Superfund Support	EPM	$654.3	$0.0	$0.0
Acid Rain -CASTNet	S&T	$3,991.2	$3,991.2	$3,991.2
Acid Rain -Program Implementation	EPM	$12,500.2	$12,790.4	$12,812.7
Administrative Law	EPM	$2,684.0	$2,869.8	$2,930.3
Air Toxics Research	S&T	$18,923.4	$19,883.7	$20,342.4
Air, State, Local and Tribal Assistance Grants: Other Air Grants	STAG	$240,724.5	$240,724.5	$247,750.0
American Indian Environmental Office	EPM	$9,911.6	$10,219.7	$10,665.9
American Indian Environmental Office	***Total***	***$9,911.6***	***$10,219.7***	***$10,665.9***
Assessments	Superfund	$76,472.9	$76,236.3	$77,066.8
Assistance Agreement Audits	IG	$1,500.0	$0.0	$0.0
Assistance Agreement Audits	Superfund-IG	$500.0	$0.0	$0.0
Assistance Agreement Audits	***Total***	***$2,000.0***	***$0.0***	***$0.0***
Assistance Agreement Investigations	IG	$1,885.0	$0.0	$0.0
Assistance Agreement Investigations	Superfund-IG	$1,015.0	$0.0	$0.0
Assistance Agreement Investigations	***Total***	***$2,900.0***	***$0.0***	***$0.0***
Beach Grants	STAG	$10,000.0	$10,000.0	$10,000.0
Brownfields	EPM	$2,819.2	$29,500.0	$30,254.1
Brownfields	STAG	$0.0	$170,500.0	$180,500.0
Brownfields	Superfund	$94,813.5	$0.0	$0.0
Brownfields	***Total***	***$97,632.7***	***$200,000.0***	***$210,754.1***
Capacity Building	EPM	$9,511.1	$10,543.4	$5,785.3
Capacity Building	S&T	$169.6	$175.9	$0.0
Capacity Building	Superfund	$1,075.5	$1,368.5	$0.0
Capacity Building	***Total***	***$10,756.2***	***$12,087.8***	***$5,785.3***
Carbon Monoxide	EPM	$3,964.3	$3,834.3	$3,887.0
Carbon Monoxide	S&T	$294.1	$190.8	$0.0
Carbon Monoxide	***Total***	***$4,258.4***	***$4,025.1***	***$3,887.0***
Chesapeake Bay	EPM	$20,551.8	$20,650.8	$20,777.7

KEY PROGRAMS BY APPROPRIATION

(Dollars in Thousands)

Key Program	Appropriation	FY 2002 Enacted	FY 2003 Pres. Bud.	FY 2004 Request
Children's Indoor Environments	EPM	$13,287.9	$13,918.4	$16,714.5
Children's Health, Program Development and Coordination	EPM	$6,099.0	$6,670.9	$6,710.4
Civil Enforcement	EPM	$96,651.2	$93,182.4	$106,599.9
Civil Enforcement	Oil Spill	$1,512.0	$1,538.6	$1,588.2
Civil Enforcement	S&T	$2,669.1	$2,739.0	$4,156.8
Civil Enforcement	Superfund	$4,289.5	$4,379.5	$3,279.0
Civil Enforcement	***Total***	***$105,121.8***	***$101,839.5***	***$115,623.9***
Civil Rights/Title VI Compliance	EPM	$10,143.6	$11,770.7	$12,113.8
Climate Change Research	S&T	$21,350.5	$21,729.3	$21,528.6
Climate Protection Program: Buildings	EPM	$48,571.3	$49,820.5	$48,324.5
Climate Protection Program: Carbon Removal	EPM	$1,549.7	$1,576.3	$1,734.5
Climate Protection Program: Industry	EPM	$25,368.6	$25,673.1	$26,439.1
Climate Protection Program: International Capacity Building	EPM	$6,982.8	$7,086.5	$6,608.1
Climate Protection Program: State and Local Climate Change Program	EPM	$2,245.6	$2,275.2	$2,569.0
Climate Protection Program: Transportation	EPM	$4,404.8	$4,447.9	$5,614.4
Climate Protection Program: Transportation	S&T	$26,425.9	$17,119.3	$17,320.3
Climate Protection Program: Transportation	***Total***	***$30,830.7***	***$21,567.2***	***$22,934.7***
Coastal Environmental Monitoring	S&T	$7,325.3	$7,671.2	$7,801.1
Commission for Environmental Cooperation - CEC	EPM	$3,396.4	$3,535.3	$3,937.8
Common Sense Initiative	EPM	$1,838.7	$0.0	$0.0
Communicating Research Information	ORD Superfund Transfer	$160.7	$0.0	$0.0
Communicating Research Information	S&T	$5,383.0	$5,408.9	$11,243.4
Communicating Research Information	Superfund Research	$0.0	$160.7	$155.7

KEY PROGRAMS BY APPROPRIATION
(Dollars in Thousands)

Key Program	Appropriation	FY 2002 Enacted	FY 2003 Pres. Bud.	FY 2004 Request
Communicating Research Information	***Total***	***$5,543.7***	***$5,569.6***	***$11,399.1***
Community Assistance	EPM	$1,124.6	$1,428.9	$0.0
Community Right to Know (Title III)	EPM	$4,968.4	$4,953.1	$5,018.3
Compliance Assistance and Centers	EPM	$25,735.4	$25,106.7	$26,771.6
Compliance Assistance and Centers	LUST	$670.0	$689.8	$586.5
Compliance Assistance and Centers	Oil Spill	$264.8	$271.4	$279.9
Compliance Assistance and Centers	***Total***	***$26,670.2***	***$26,067.9***	***$27,638.0***
Compliance Incentives	EPM	$9,512.0	$9,344.6	$10,019.8
Compliance Incentives	Superfund	$583.3	$345.3	$288.1
Compliance Incentives	***Total***	***$10,095.3***	***$9,689.9***	***$10,307.9***
Compliance Monitoring	EPM	$51,411.8	$48,487.0	$56,886.2
Compliance Monitoring	S&T	$2,644.1	$2,711.4	$2,829.8
Compliance Monitoring	***Total***	***$54,055.9***	***$51,198.4***	***$59,716.0***
Congressional Projects	EPM	$2,078.6	$1,991.3	$2,145.2
Congressional/Legislative Analysis	EPM	$4,852.2	$4,857.8	$4,958.1
Congressionally Mandated Projects	EPM	$85,223.6	$0.0	$0.0
Congressionally Mandated Projects	S&T	$58,977.0	$0.0	$0.0
Congressionally Mandated Projects	STAG	$343,900.0	$0.0	$0.0
Congressionally Mandated Projects	***Total***	***$488,100.6***	***$0.0***	***$0.0***
Contract Audits	IG	$3,900.0	$0.0	$0.0
Contract Audits	Superfund-IG	$1,300.0	$0.0	$0.0
Contract Audits	***Total***	***$5,200.0***	***$0.0***	***$0.0***
Contract and Procurement Investigations	IG	$2,325.0	$0.0	$0.0
Contract and Procurement Investigations	Superfund-IG	$775.0	$0.0	$0.0
Contract and Procurement Investigations	***Total***	***$3,100.0***	***$0.0***	***$0.0***

KEY PROGRAMS BY APPROPRIATION

(Dollars in Thousands)

Key Program	Appropriation	FY 2002 Enacted	FY 2003 Pres. Bud.	FY 2004 Request
Correspondence Coordination	EPM	$1,200.7	$1,096.3	$1,127.7
Criminal Enforcement	EPM	$26,321.3	$26,855.3	$29,086.0
Criminal Enforcement	S&T	$5,465.8	$5,643.2	$5,575.9
Criminal Enforcement	Superfund	$9,910.4	$10,039.6	$10,504.7
Criminal Enforcement	***Total***	***$41,697.5***	***$42,538.1***	***$45,166.6***
Data Collection	EPM	$103.1	$125.9	$3,454.0
Data Collection	Superfund	$22.8	$0.0	$0.0
Data Collection	***Total***	***$125.9***	***$125.9***	***$3,454.0***
Data Management	EPM	$17,247.6	$17,768.6	$26,299.2
Data Management	Superfund	$1,223.0	$1,234.2	$917.0
Data Management	***Total***	***$18,470.6***	***$19,002.8***	***$27,216.2***
Data Standards	EPM	$1,512.9	$2,510.3	$23,270.8
Data Standards	S&T	$3,563.2	$3,633.8	$4,139.2
Data Standards	Superfund	$263.8	$336.5	$607.5
Data Standards	***Total***	***$5,339.9***	***$6,480.6***	***$28,017.5***
Design for the Environment	EPM	$4,707.6	$4,810.7	$4,880.6
Direct Public Information and Assistance	EPM	$8,612.7	$8,992.6	$9,475.8
Disadvantaged Communities	EPM	$4,350.8	$4,481.3	$4,677.3
Disaster Management Initiative	EPM	$0.0	$0.0	$1,500.0
Drinking Water Implementation	EPM	$38,332.9	$38,935.0	$44,338.7
Drinking Water Implementation	***Total***	***$38,332.9***	***$38,935.0***	***$44,338.7***
Drinking Water Regulations	EPM	$25,908.9	$27,241.4	$28,482.2
Drinking Water Regulations	S&T	$2,688.5	$2,792.6	$2,952.7
Drinking Water Regulations	***Total***	***$28,597.4***	***$30,034.0***	***$31,434.9***
Ecosystems Condition, Protection and Restoration Research	S&T	$104,492.9	$105,795.0	$109,677.6
Effluent Guidelines	EPM	$22,773.4	$23,010.3	$23,632.4
Employee Integrity Investigations	IG	$750.0	$0.0	$0.0
Employee Integrity Investigations	Superfund-IG	$250.0	$0.0	$0.0
Employee Integrity Investigations	***Total***	***$1,000.0***	***$0.0***	***$0.0***
Endocrine Disruptor Research	S&T	$10,722.4	$12,178.7	$11,917.7
Endocrine Disruptor Screening Program	EPM	$8,952.4	$9,063.5	$9,002.7

KEY PROGRAMS BY APPROPRIATION

(Dollars in Thousands)

Key Program	Appropriation	FY 2002 Enacted	FY 2003 Pres. Bud.	FY 2004 Request
Enforcement Training	EPM	$3,230.3	$3,145.4	$3,186.2
Enforcement Training	Superfund	$717.0	$735.0	$714.0
Enforcement Training	***Total***	***$3,947.3***	***$3,880.4***	***$3,900.2***
Environment and Trade	EPM	$1,672.6	$1,844.3	$1,702.5
Environmental Appeals Boards	EPM	$1,667.3	$1,737.7	$1,774.8
Environmental Education Division	EPM	$9,160.2	$0.0	$0.0
Environmental Finance Center Grants (EFC)	EPM	$2,000.0	$2,000.0	$2,000.0
Environmental Justice	EPM	$4,164.4	$4,078.8	$3,826.1
Environmental Justice	Superfund	$900.0	$900.0	$900.0
Environmental Justice	***Total***	***$5,064.4***	***$4,978.8***	***$4,726.1***
Environmental Monitoring and Assessment Program, EMAP	S&T	$32,426.0	$38,259.6	$38,873.3
Environmental Technology Verification (ETV)	S&T	$3,607.7	$3,617.6	$3,682.0
Executive Support	EPM	$3,113.0	$3,121.2	$3,178.5
Existing Chemical Data, Screening, Testing and Management	EPM	$28,286.4	$28,331.9	$29,667.0
Facilities Infrastructure and Operations	B & F	$6,960.0	$31,418.0	$31,418.0
Facilities Infrastructure and Operations	EPM	$244,725.9	$279,773.2	$290,301.1
Facilities Infrastructure and Operations	LUST	$721.9	$824.7	$826.8
Facilities Infrastructure and Operations	Oil Spill	$454.1	$451.9	$451.9
Facilities Infrastructure and Operations	S&T	$17,409.9	$8,539.0	$8,539.0
Facilities Infrastructure and Operations	Superfund	$57,303.2	$55,357.0	$57,346.6
Facilities Infrastructure and Operations	***Total***	***$327,575.0***	***$376,363.8***	***$388,883.4***
Federal Facilities	Superfund	$31,206.5	$31,915.5	$32,744.2
Federal Facility IAGs	Superfund	$8,779.8	$9,091.7	$9,653.6
Federal Preparedness	Superfund	$9,849.3	$9,883.0	$10,105.1
Financial Statement Audits	IG	$3,000.0	$0.0	$0.0
Financial Statement Audits	Superfund-IG	$1,000.0	$0.0	$0.0

KEY PROGRAMS BY APPROPRIATION

(Dollars in Thousands)

Key Program	Appropriation	FY 2002 Enacted	FY 2003 Pres. Bud.	FY 2004 Request
Financial Statement Audits	***Total***	***$4,000.0***	***$0.0***	***$0.0***
Fish Contamination/Consumption	EPM	$2,764.8	$2,788.4	$2,831.2
Geospatial	EPM	$983.2	$743.4	$16,472.5
Geospatial	Superfund	$32.1	$0.0	$0.0
Geospatial	***Total***	***$1,015.3***	***$743.4***	***$16,472.5***
Global Toxics	EPM	$1,522.8	$1,415.1	$1,557.1
Global Trade Issues for Pesticides and Chemicals	EPM	$3,091.2	$3,125.4	$3,367.1
Grants to States for Lead Risk Reduction	STAG	$13,682.0	$13,682.0	$13,700.0
Great Lakes	EPM	$3,208.6	$2,684.7	$2,712.2
Great Lakes Legacy Act	EPM	$0.0	$0.0	$15,000.0
Great Lakes National Program Office	EPM	$14,929.7	$15,128.2	$15,392.0
Gulf of Mexico	EPM	$4,261.6	$4,327.4	$4,431.7
Hazardous Air Pollutants	EPM	$48,130.9	$48,687.2	$50,216.6
Hazardous Air Pollutants	S&T	$4,094.4	$3,935.2	$4,019.1
Hazardous Air Pollutants	***Total***	***$52,225.3***	***$52,622.4***	***$54,235.7***
Hazardous Substance Research: Hazardous Substance Research Centers	ORD Superfund Transfer	$2,331.7	$0.0	$0.0
Hazardous Substance Research: Hazardous Substance Research Centers	Superfund Research	$0.0	$2,354.1	$2,358.4
Hazardous Substance Research: Hazardous Substance Research Centers	Superfund	$2,245.1	$2,245.1	$2,245.1
Hazardous Substance Research: Hazardous Substance Research Centers	***Total***	***$4,576.8***	***$4,599.2***	***$4,603.5***
Hazardous Substance Research: Superfund Innovative Technology Evaluation (SITE)	ORD Superfund Transfer	$6,501.0	$0.0	$0.0
Hazardous Substance Research: Superfund Innovative Technology Evaluation (SITE)	Superfund Research	$0.0	$6,545.0	$6,572.6
Hazardous Substance Research: Superfund Innovative Technology Evaluation (SITE)	***Total***	***$6,501.0***	***$6,545.0***	***$6,572.6***

KEY PROGRAMS BY APPROPRIATION

(Dollars in Thousands)

Key Program	Appropriation	FY 2002 Enacted	FY 2003 Pres. Bud.	FY 2004 Request
Hazardous Waste Research	S&T	$9,088.3	$9,548.7	$10,782.0
Homeland Security-Communication and Information	EPM	$600.8	$476.7	$3,820.3
Homeland Security-Communication and Information	Homeland Security	$2,181.5	$0.0	$0.0
Homeland Security-Communication and Information	***Total***	***$2,782.3***	***$476.7***	***$3,820.3***
Homeland Security-Critical Infrastructure Protection	EPM	$500.0	$3,036.3	$7,927.8
Homeland Security-Critical Infrastructure Protection	Homeland Security	$99,641.8	$0.0	$0.0
Homeland Security-Critical Infrastructure Protection	S&T	$1,946.5	$16,946.5	$24,782.3
Homeland Security-Critical Infrastructure Protection	STAG	$5,000.0	$5,000.0	$5,000.0
Homeland Security-Critical Infrastructure Protection	Superfund	$320.0	$770.7	$770.7
Homeland Security-Critical Infrastructure Protection	***Total***	***$107,408.3***	***$25,753.5***	***$38,480.8***
Homeland Security-Preparedness, Response and Recovery	EPM	$0.0	$0.0	$718.3
Homeland Security-Preparedness, Response and Recovery	Homeland Security	$42,194.0	$0.0	$0.0
Homeland Security-Preparedness, Response and Recovery	S&T	$2,799.2	$0.0	$23,911.1
Homeland Security-Preparedness, Response and Recovery	Superfund Research	$0.0	$75,000.0	$8,285.9
Homeland Security-Preparedness, Response and Recovery	Superfund	$2,685.4	$12,585.4	$27,364.3
Homeland Security-Preparedness, Response and Recovery	***Total***	***$47,678.6***	***$87,585.4***	***$60,279.6***
Homeland Security-Protect EPA Personnel/Infrastructure	B & F	$0.0	$11,500.0	$11,500.0
Homeland Security-Protect EPA Personnel/Infrastructure	EPM	$0.0	$6,000.0	$6,288.0
Homeland Security-Protect EPA Personnel/Infrastructure	Homeland Security	$30,040.0	$0.0	$0.0
Homeland Security-Protect EPA Personnel/Infrastructure	S&T	$0.0	$1,500.0	$2,100.0

KEY PROGRAMS BY APPROPRIATION

(Dollars in Thousands)

Key Program	Appropriation	FY 2002 Enacted	FY 2003 Pres. Bud.	FY 2004 Request
Homeland Security-Protect EPA Personnel/Infrastructure	Superfund	$180.0	$600.0	$600.0
Homeland Security-Protect EPA Personnel/Infrastructure	***Total***	***$30,220.0***	***$19,600.0***	***$20,488.0***
Homestake Mine	STAG	$0.0	$8,000.0	$0.0
Human Health Research	S&T	$47,225.6	$51,824.5	$53,633.9
Human Health Research	***Total***	***$47,225.6***	***$51,824.5***	***$53,633.9***
Immediate Office of the Administrator	EPM	$4,175.9	$4,343.7	$4,413.9
Indoor Environments	EPM	$9,036.7	$8,978.1	$8,153.3
Indoor Environments	S&T	$329.5	$329.5	$706.0
Indoor Environments	***Total***	***$9,366.2***	***$9,307.6***	***$8,859.3***
Information Exchange Network	STAG	$25,000.0	$25,000.0	$25,000.0
Information Integration	EPM	$5,783.6	$17,057.0	$0.0
Information Integration	Superfund	$332.5	$3,100.0	$0.0
Information Integration	***Total***	***$6,116.1***	***$20,157.0***	***$0.0***
Information Technology Management	EPM	$25,291.0	$25,544.4	$49,835.8
Information Technology Management	Superfund	$3,230.4	$2,537.9	$7,481.6
Information Technology Management	***Total***	***$28,521.4***	***$28,082.3***	***$57,317.4***
Intergovernmental Relations - OA	EPM	$3,687.2	$4,128.1	$4,318.5
International Safe Drinking Water	EPM	$0.0	$0.0	$348.0
Investigations	IG	$0.0	$6,959.4	$7,745.0
Investigations	Superfund-IG	$0.0	$2,510.2	$2,782.2
Investigations	***Total***	***$0.0***	***$9,469.6***	***$10,527.2***
LUST Cleanup Programs	LUST	$10,067.4	$10,285.4	$10,581.0
Lake Champlain	EPM	$2,500.0	$954.8	$954.8
Lead	EPM	$342.2	$339.6	$349.5
Lead Risk Reduction Program	EPM	$13,092.6	$13,166.3	$14,832.9
Leaking Underground Storage Tanks (LUST)Cooperative Agreements	LUST	$59,331.9	$58,341.2	$58,399.1
Legal Services	EPM	$41,783.6	$45,458.2	$47,142.8
Legal Services	Superfund	$819.5	$844.5	$843.8

KEY PROGRAMS BY APPROPRIATION

(Dollars in Thousands)

Key Program	Appropriation	FY 2002 Enacted	FY 2003 Pres. Bud.	FY 2004 Request
Legal Services	***Total***	***$42,603.1***	***$46,302.7***	***$47,986.6***
Long Island Sound	EPM	$2,500.0	$477.4	$477.4
Management Services and Stewardship	B&F	$18,358.0	$0.0	$0.0
Management Services and Stewardship	EPM	$135,925.5	$107,290.8	$122,083.2
Management Services and Stewardship	LUST	$605.7	$518.3	$577.6
Management Services and Stewardship	Oil Spill	$44.7	$53.2	$52.5
Management Services and Stewardship	S&T	$1,174.8	$198.7	$176.8
Management Services and Stewardship	Superfund	$47,626.5	$41,245.0	$50,286.6
Management Services and Stewardship	***Total***	***$203,735.2***	***$149,306.0***	***$173,176.7***
Marine Pollution	EPM	$7,994.8	$8,170.7	$12,630.1
Multi-Media Communications	EPM	$821.3	$872.7	$919.4
Multilateral Fund	EPM	$9,575.8	$9,575.8	$11,000.0
NACEPT Support	EPM	$1,803.1	$1,670.1	$1,692.1
NAFTA Implementation	EPM	$514.3	$747.9	$758.5
NEPA Implementation	EPM	$11,507.5	$11,785.8	$12,296.3
NPDES Program	EPM	$40,991.0	$41,720.8	$44,375.7
National Association Liaison	EPM	$346.0	$262.5	$267.9
National Estuaries Program/Coastal Watersheds	EPM	$24,521.3	$19,246.2	$19,094.2
National Nonpoint Source Program Implementation	EPM	$16,488.6	$16,908.6	$17,628.0
National Program chemicals: PCBs, Asbestos, Fibers, and Dioxin	EPM	$6,775.5	$6,994.5	$7,506.1
New Chemical Review	EPM	$14,088.8	$14,730.2	$15,031.8
Nitrogen Oxides	EPM	$1,325.5	$1,399.0	$1,436.9
Oil Spills Preparedness, Prevention and Response	Oil Spill	$11,795.4	$12,332.2	$12,897.5
Other Federal Agency Superfund Support	Superfund	$10,676.0	$10,676.0	$10,676.0
Ozone	EPM	$32,783.9	$34,763.6	$35,534.7
Ozone	S&T	$35,671.2	$42,735.2	$33,963.2

KEY PROGRAMS BY APPROPRIATION

(Dollars in Thousands)

Key Program	Appropriation	FY 2002 Enacted	FY 2003 Pres. Bud.	FY 2004 Request
Ozone	***Total***	***$68,455.1***	***$77,498.8***	***$69,497.9***
PBTI	EPM	$2,572.5	$2,580.5	$2,419.0
POPs Implementation	EPM	$0.0	$680.3	$667.3
Pacific Northwest	EPM	$1,003.8	$1,028.5	$1,072.5
Particulate Matter	EPM	$29,561.0	$32,118.5	$34,368.3
Particulate Matter	S&T	$22,741.7	$30,505.8	$40,419.5
Particulate Matter	***Total***	***$52,302.7***	***$62,624.3***	***$74,787.8***
Particulate Matter Research	S&T	$65,468.2	$66,662.0	$65,709.4
Partnerships to Reduce High Risk Pesticide Use	EPM	$10,407.0	$12,279.8	$11,686.2
Performance Track	EPM	$1,834.6	$1,834.6	$1,834.6
Pesticide Registration	EPM	$41,005.9	$39,981.5	$33,698.6
Pesticide Registration	S&T	$2,006.8	$2,138.7	$2,282.6
Pesticide Registration	***Total***	***$43,012.7***	***$42,120.2***	***$35,981.2***
Pesticide Reregistration	EPM	$35,218.6	$45,993.2	$49,123.6
Pesticide Reregistration	S&T	$2,364.7	$2,377.9	$2,380.6
Pesticide Reregistration	***Total***	***$37,583.3***	***$48,371.1***	***$51,504.2***
Pesticide Residue Tolerance Reassessments	EPM	$14,671.8	$5,267.9	$12,810.5
Pesticide Residue Tolerance Reassessments	***Total***	***$14,671.8***	***$5,267.9***	***$12,810.5***
Pesticides Program Implementation Grant	STAG	$13,085.5	$13,085.5	$13,100.0
Planning and Resource Management	EPM	$38,560.2	$43,857.8	$42,556.3
Planning and Resource Management	LUST	$772.3	$813.9	$802.2
Planning and Resource Management	Superfund	$16,962.8	$18,119.4	$11,970.1
Planning and Resource Management	***Total***	***$56,295.3***	***$62,791.1***	***$55,328.6***
Planning, Analysis, and Results - IG	IG	$4,609.0	$0.0	$0.0
Planning, Analysis, and Results - IG	Superfund-IG	$1,677.0	$0.0	$0.0
Planning, Analysis, and Results - IG	***Total***	***$6,286.0***	***$0.0***	***$0.0***
Pollution Prevention Incentive	STAG	$5,986.3	$5,986.3	$6,000.0

KEY PROGRAMS BY APPROPRIATION
(Dollars in Thousands)

Key Program	Appropriation	FY 2002 Enacted	FY 2003 Pres. Bud.	FY 2004 Request
Grants to States				
Pollution Prevention Program	EPM	$9,597.8	$9,902.8	$10,626.9
Premanufacturing Notification Fee	Offsetting Receipts	$0.0	($4,000.0)	($4,000.0)
Preventing Contamination of Drinking Water Sources	EPM	$23,470.2	$22,096.8	$23,311.9
Program Audits	IG	$3,675.0	$0.0	$0.0
Program Audits	Superfund-IG	$1,225.0	$0.0	$0.0
Program Audits	***Total***	***$4,900.0***	***$0.0***	***$0.0***
Program Evaluation - IG	IG	$11,250.0	$0.0	$0.0
Program Evaluation - IG	Superfund-IG	$3,750.0	$0.0	$0.0
Program Evaluation - IG	***Total***	***$15,000.0***	***$0.0***	***$0.0***
Program Evaluations/Audit	IG	$0.0	$28,365.6	$29,062.7
Program Evaluations/Audit	Superfund-IG	$0.0	$10,231.8	$10,431.4
Program Evaluations/Audit	***Total***	***$0.0***	***$38,597.4***	***$39,494.1***
Program Integrity Investigations	IG	$1,125.0	$0.0	$0.0
Program Integrity Investigations	Superfund-IG	$375.0	$0.0	$0.0
Program Integrity Investigations	***Total***	***$1,500.0***	***$0.0***	***$0.0***
Public Access	EPM	$12,931.2	$14,068.3	$15,143.5
Public Access	S&T	$279.3	$324.8	$0.0
Public Access	Superfund	$703.8	$1,176.3	$581.3
Public Access	***Total***	***$13,914.3***	***$15,569.4***	***$15,724.8***
RCRA Corrective Action	EPM	$38,262.3	$38,965.2	$41,107.4
RCRA Enforcement State Grants	STAG	$42,904.7	$42,904.7	$42,904.7
RCRA Improved Waste Management	EPM	$61,174.6	$61,860.0	$61,050.3
RCRA State Grants	STAG	$63,458.9	$63,458.9	$63,495.3
RCRA Waste Reduction	EPM	$14,633.7	$13,740.7	$16,850.2
Radiation	EPM	$13,897.5	$14,253.5	$14,844.4
Radiation	S&T	$5,546.2	$5,931.3	$6,771.6
Radiation	Superfund	$2,180.3	$2,234.3	$2,336.5
Radiation	***Total***	***$21,624.0***	***$22,419.1***	***$23,952.5***
Radon	EPM	$5,095.7	$5,095.7	$5,659.1
Radon	S&T	$1,357.3	$1,398.2	$528.9

KEY PROGRAMS BY APPROPRIATION

(Dollars in Thousands)

Key Program	Appropriation	FY 2002 Enacted	FY 2003 Pres. Bud.	FY 2004 Request
Radon	***Total***	***$6,453.0***	***$6,493.9***	***$6,188.0***
Recreational Water and Wet Weather Flows Research	S&T	$5,635.8	$5,496.6	$5,966.2
Regional Geographic Program	EPM	$7,609.2	$8,651.1	$8,755.7
Regional Haze	EPM	$2,535.9	$2,408.1	$2,453.8
Regional Management	EPM	$32,104.4	$32,476.8	$39,311.1
Regional Management	LUST	$143.7	$143.7	$143.7
Regional Management	Oil Spill	$23.8	$23.8	$23.8
Regional Management	Superfund	$8,485.0	$8,577.2	$11,307.7
Regional Management	***Total***	***$40,756.9***	***$41,221.5***	***$50,786.3***
Regional Operations and Liaison	EPM	$547.5	$477.6	$487.5
Regional Program Infrastructure	EPM	$4,604.6	$4,604.6	$0.0
Regional Program Infrastructure	Superfund	$1,527.6	$1,427.5	$0.0
Regional Program Infrastructure	***Total***	***$6,132.2***	***$6,032.1***	***$0.0***
Regional Science and Technology	EPM	$3,574.9	$3,601.8	$3,609.2
Regional and Global Environmental Policy Development	EPM	$2,362.7	$2,046.8	$1,629.3
Regulatory Development	EPM	$27,412.1	$36,381.5	$38,565.7
Reinventing Environmental Information (REI)	EPM	$7,812.1	$7,542.8	$0.0
Reinventing Environmental Information (REI)	S&T	$33.5	$0.0	$0.0
Reinventing Environmental Information (REI)	Superfund	$778.2	$357.2	$0.0
Reinventing Environmental Information (REI)	***Total***	***$8,623.8***	***$7,900.0***	***$0.0***
Research to Support Contaminated Sites	LUST	$687.1	$696.0	$628.5
Research to Support Contaminated Sites	ORD Superfund Transfer	$27,304.6	$0.0	$0.0
Research to Support Contaminated Sites	Oil Spill	$905.2	$909.9	$915.0
Research to Support Contaminated Sites	S&T	$1,000.0	$0.0	$0.0
Research to Support Contaminated Sites	Superfund Research	$0.0	$26,515.2	$26,731.8

KEY PROGRAMS BY APPROPRIATION

(Dollars in Thousands)

Key Program	Appropriation	FY 2002 Enacted	FY 2003 Pres. Bud.	FY 2004 Request
Research to Support Contaminated Sites	***Total***	***$29,896.9***	***$28,121.1***	***$28,275.3***
Research to Support Emerging Issues	S&T	$28,658.5	$29,150.8	$41,470.5
Research to Support FQPA	S&T	$12,594.4	$12,042.3	$13,272.9
Research to Support Pollution Prevention	ORD Superfund Transfer	$593.0	$0.0	$0.0
Research to Support Pollution Prevention	S&T	$37,079.9	$43,482.4	$37,276.3
Research to Support Pollution Prevention	Superfund Research	$0.0	$593.0	$593.0
Research to Support Pollution Prevention	***Total***	***$37,672.9***	***$44,075.4***	***$37,869.3***
Research to Support Safe Communities	S&T	$21,593.6	$25,149.6	$25,628.4
Risk Management Plans	EPM	$7,202.9	$7,446.0	$7,489.9
SBREFA	EPM	$686.2	$608.8	$616.2
STAR Fellowships Program	S&T	$9,748.7	$0.0	$4,875.0
Safe Drinking Water Research	S&T	$45,579.5	$49,491.0	$49,231.3
Safe Pesticide Applications	EPM	$11,157.2	$10,193.9	$12,451.1
Safe Pesticide Applications	S&T	$25.0	$0.0	$0.0
Safe Pesticide Applications	***Total***	***$11,182.2***	***$10,193.9***	***$12,451.1***
Safe Recreational Waters	EPM	$834.4	$842.7	$858.3
Science Advisory Board	EPM	$2,887.8	$3,352.5	$4,409.0
Science Coordination and Policy	EPM	$492.2	$950.1	$1,603.8
Sector Grants	STAG	$2,209.3	$2,209.3	$2,250.0
Small Business Ombudsman	EPM	$3,049.1	$3,124.0	$3,148.7
Small, Minority, Women-Owned Business Assistance	EPM	$2,295.5	$3,305.0	$3,407.3
South Florida/Everglades	EPM	$2,648.3	$2,665.5	$2,690.0
State Multimedia Enforcement Grants	STAG	$0.0	$15,000.0	$0.0
State Nonpoint Source Grants	STAG	$237,476.8	$238,476.8	$238,500.0
State PWSS Grants	STAG	$93,100.2	$93,100.2	$105,100.0
State Pesticides Enforcement Grants	STAG	$19,867.8	$19,867.8	$19,900.0
State Pollution Control Grants	STAG	$192,476.9	$180,376.9	$200,400.0

KEY PROGRAMS BY APPROPRIATION

(Dollars in Thousands)

Key Program	Appropriation	FY 2002 Enacted	FY 2003 Pres. Bud.	FY 2004 Request
(Section 106)				
State Toxics Enforcement Grants	STAG	$5,138.9	$5,138.9	$5,150.0
State Underground Injection Control Grants	STAG	$10,950.9	$10,950.9	$11,000.0
State Water Quality Cooperative Agreements	STAG	$18,958.2	$38,958.2	$19,000.0
State Wetlands Program Grants	STAG	$14,967.0	$14,967.0	$20,000.0
Stratospheric Ozone Protection	EPM	$5,602.7	$5,642.2	$5,786.6
Sulfur Dioxide	EPM	$12,318.5	$13,624.7	$14,102.2
Superfund - Cost Recovery	Superfund	$29,597.5	$30,375.9	$31,058.6
Superfund - Justice Support	Superfund	$28,150.0	$28,150.0	$28,150.0
Superfund - Maximize PRP Involvement (including reforms)	Superfund	$82,181.5	$84,396.9	$89,471.3
Superfund Remedial Actions	Superfund	$488,951.3	$493,646.5	$649,345.1
Superfund Removal Actions	Superfund	$202,654.0	$202,610.3	$203,189.5
System Modernization	EPM	$12,875.0	$12,210.0	$0.0
System Modernization	Superfund	$815.0	$1,480.0	$0.0
System Modernization	***Total***	***$13,690.0***	***$13,690.0***	***$0.0***
TMDLs	EPM	$21,232.1	$21,433.2	$25,083.7
Targeted Watershed Grants	STAG	$0.0	$0.0	$20,000.0
Technical Cooperation with Industrial and Developing Countries	EPM	$4,478.4	$4,330.1	$3,518.2
Toxic Release Inventory / Right-to-Know (RtK)	EPM	$14,155.6	$15,293.2	$13,057.4
Tribal General Assistance Grants	STAG	$52,469.7	$57,469.7	$62,500.0
Tropospheric Ozone Research	S&T	$6,514.8	$6,758.1	$7,024.0
U.S. - Mexico Border	EPM	$4,149.5	$5,364.6	$6,484.4
UST State Grants	STAG	$11,918.4	$11,918.4	$11,950.0
Underground Storage Tanks (UST)	EPM	$6,795.7	$7,026.4	$7,153.2
Wastewater Management/Tech Innovations	EPM	$8,840.1	$9,073.7	$9,485.2
Water Infrastructure: Alaska Native Villages	STAG	$40,000.0	$40,000.0	$40,000.0
Water Infrastructure: Puerto Rico	STAG	$0.0	$0.0	$8,000.0
Water Infrastructure: Clean Water State Revolving Fund (CW-SRF)	STAG	$1,350,000.0	$1,212,000.0	$850,000.0

KEY PROGRAMS BY APPROPRIATION

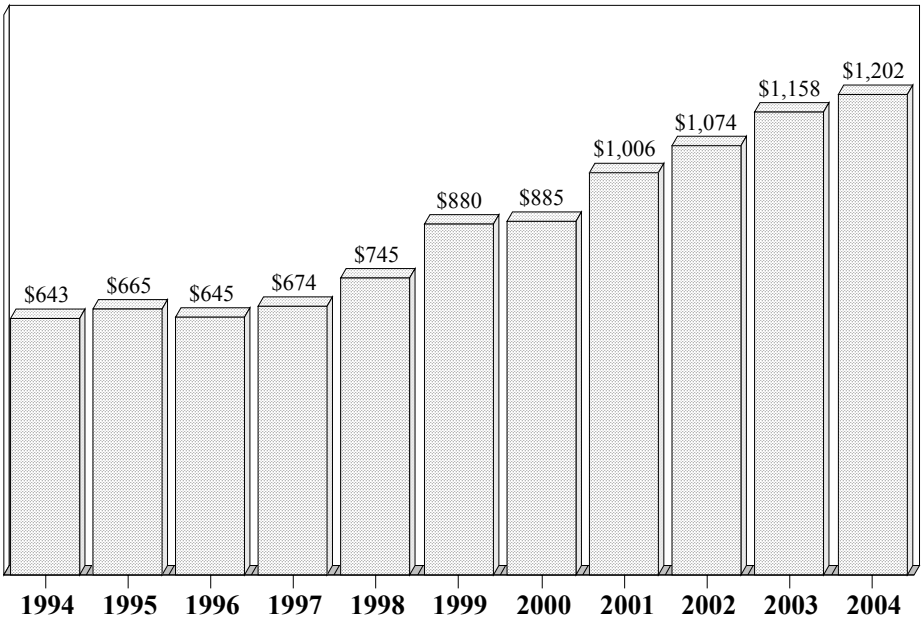
(Dollars in Thousands)

Key Program	Appropriation	FY 2002 Enacted	FY 2003 Pres. Bud.	FY 2004 Request
Water Infrastructure: Drinking Water State Revolving Fund (DW-SRF)	STAG	$850,000.0	$850,000.0	$850,000.0
Water Infrastructure: Mexico Border	STAG	$75,000.0	$75,000.0	$50,000.0
Water Quality Criteria and Standards	EPM	$18,782.4	$19,127.2	$24,076.8
Water Quality Infrastructure Protection	EPM	$16,783.7	$17,239.3	$18,055.7
Water Quality Monitoring and Assessment	EPM	$11,665.1	$11,967.7	$14,072.1
Watershed Assistance	EPM	$7,821.6	$9,479.1	$9,395.6
Web Products Quality Control	EPM	$879.5	$767.0	$812.4
Wetlands	EPM	$17,829.8	$18,381.9	$19,299.9
TOTAL		**$8,093,721.8**	**$7,616,513.0**	**$7,626,537.3**

STATE AND TRIBAL ASSISTANCE GRANTS (STAG)
Appropriation Account
(Dollars in thousands)

	FY 2001 Enacted Budget w/Rec	FY 2002 Enacted Budget	FY 2003 President's Budget	FY 2004 President's Budget	Differences between '04 PB & '03 PB
STATE and TRIBAL GRANT ASSISTANCE	**$1,005,782.4**	**$1,079,376.0**	**$1,158,276.0**	**$1,202,700.0**	**$44,424.0**
INFRASTRUCTURE ASSISTANCE					
State Revolving Funds					
Clean Water State Revolving Fund	$1,347,030.0	$1,350,000.0	$1,212,000.0	$850,000.0	-$362,000.0
Drinking Water State Revolving Fund	$823,185.0	$850,000.0	$850,000.0	$850,000.0	$0.0
Consolidated State Revolving Funds	$2,170,215.0	$2,200,000.0	$2,062,000.0	$1,700,000.0	-$362,000.0
Brownfields Infrastructure Projects	$0.0	$0.0	$120,500.0	$120,500.0	$0.0
Special Needs Projects					
Mexican Border	$74,835.0	$75,000.0	$75,000.0	$50,000.0	-$25,000.0
Alaskan Native Villages	$34,923.0	$40,000.0	$40,000.0	$40,000.0	$0.0
Bristol County, MA	$1,995.6	$0.0	$0.0	$0.0	$0.0
Puerto Rico	$0.0	$0.0	$0.0	$8,000.0	$8,000.0
South Dakota Home Stake Mine	$0.0	$0.0	$8,000.0	$0.0	-$8,000.0
Total Special Needs Projects	$111,753.6	$115,000.0	$123,000.0	$98,000.0	-$25,000.0
Congressional Projects	$353,590.5	$343,900.0	$0.0	$0.0	$0.0
TOTAL-INFRASTRUCTURE ASSISTANCE	**$2,635,559.1**	**$2,658,900.0**	**$2,305,500.0**	**$1,918,500.0**	**-$387,000.0**
TOTAL STAG	**$3,641,341.5**	**$3,738,276.0**	**$3,463,776.0**	**$3,121,200.0**	**-$342,576.0**

CATEGORICAL GRANTS PROGRAM (STAG)
(Dollars in Millions)



In 2004, the President's Budget requests a total of $1,202.7 million for **24** "categorical" program grants for state and Tribal governments. This is an increase of $44.4 million over 2003. EPA will continue to pursue its strategy of building and supporting state, local and Tribal capacity to implement, operate, and enforce the Nation's environmental laws. Most environmental laws envision establishment of a decentralized nationwide structure to protect public health and the environment. In this way, environmental goals will ultimately be achieved through the actions, programs, and commitments of state, Tribal and local governments, organizations and citizens.

In 2004, EPA will continue to offer flexibility to state and Tribal governments to manage their environmental programs as well as provide technical and financial assistance to achieve mutual environmental goals. First, EPA and its state and Tribal partners will continue implementing the National Environmental Performance Partnership System (NEPPS). NEPPS is designed to allow states more flexibility to operate their programs, while increasing emphasis on measuring and reporting environmental improvements. Second, Performance Partnership Grants (PPGs) will continue to allow states and tribes funding flexibility to combine categorical program grants to address environmental priorities.

HIGHLIGHTS:

Air State and Local Assistance

In 2004, the President's Budget requests $247.8 million for Air State and Local Assistance grants to support state, local, and Tribal air programs as well as radon programs. This

is an increase of $7.0 million over 2003 request levels. This increase will be dedicated to expanding the air toxics monitoring network.

Enforcement State Grants

In 2004, the President's Budget includes $27.3 million to build environmental partnerships with states and tribes and to strengthen their ability to address environmental and public health threats. The enforcement state grants request consists of $19.9 million for Pesticides Enforcement, $5.15 million for Toxic Substances Enforcement Grants, and $2.25 million for Sector Grants. State and Tribal enforcement grants will be awarded to assist in the implementation of compliance and enforcement provisions of the Toxic Substances Control Act (TSCA) and the Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA). These grants support state and Tribal compliance activities to protect the environment from harmful chemicals and pesticides.

Under the Pesticides Enforcement Grant program, EPA provides resources to states and Indian tribes to conduct FIFRA compliance inspections and take appropriate enforcement actions and implement programs for farm worker protection. Under the Toxic Substances Compliance Grant program, states receive funding for compliance inspections of asbestos and polychlorinated biphenyls (PCBs) and for implementation of the state lead abatement enforcement program. The funds will complement other Federal program grants for building state capacity for lead abatement, and enhancing compliance with disclosure, certification and training requirements.

Exchange Network (aka National Environmental Information Exchange Network, NEIEN)

In 2004, the President's Budget requests $25.0 million to continue a grant program, started in 2002, that will provide states and tribes assistance to develop the Exchange Network. This grant program will support state and Tribal efforts to complete necessary changes to their information management systems to facilitate participation, and enhance state information integration efforts. The Exchange Network will improve environmental decision making, improve data quality and accuracy, ensure security of sensitive data, and reduce the burden on those who provide and those who access information.

Brownfields State and Tribal Grants

In 2004, the President's Budget requests $60.0 million, an increase of $10.0 million over 2003, to continue the Brownfields grant program that provides assistance to states and tribes to develop and enhance their state and Tribal response programs. EPA believes that further enhancement of state and Tribal programs will complement efforts to address the assessment and cleanup of Brownfields properties.

Water Pollution Control (Clean Water Act Section 106) Grants

In 2004, the President's Budget requests $200.4 million for Water Pollution Control grants, an increase of $20.0 million over 2003. This increase will help states and Tribes fill

critical gaps in meeting their basic Clean Water Act responsibilities. The additional funding will support a mixture of activities, depending on individual states' needs, including water quality monitoring and assessment, standards development, Total Maximum Daily Load (TMDL) development, and National Pollutant Discharge Elimination System (NPDES) permitting.

Wetlands

In 2004, the President's Budget requests $20.0 million for Wetlands Program Grants, an increase of $5.0 million over 2003. Specifically, this increase will enhance states' efforts to protect wetlands and other waters no longer under protection due to a 2001 Supreme Court decision and help states and tribes assume more decision-making authority.

Public Water System Supervision Grants

In 2004, the President's Budget requests $105.1 for Public Water System Supervision (PWSS) grants, an increase of $12.0 million over 2003. This funding level will enhance state and Tribal capacity to assist drinking water systems in the implementation of high priority drinking water regulations, and to meet public health goals.

Indian General Assistance Program Grants

In 2004, the President's Budget requests $62.5 million for the Indian General Assistance Program (GAP), an increase of $5.0 million over 2003. This increase will help federally recognized tribes and inter-tribal consortia develop and assume environmental programs.

Homeland Security

In 2004, the President's Budget requests $5.0 million for homeland security grants to support states' efforts to work with drinking water and wastewater systems to develop and enhance emergency operations plans; conduct training in the implementation of remedial plans in small systems; and, develop detection, monitoring and treatment technology to enhance drinking water and wastewater security.

Elimination of Tribal Cap on Non-Point Sources

In 2004, the President's Budget is proposing to eliminate the statutory one-third-of-one-percent cap on Clean Water Act Section 319 Nonpoint Source Pollution grants that may be awarded to tribes. Tribes applying for and receiving Section 319 grants have steadily increased from two in 1991 to over 70 in 2001. This proposal recognizes the increasing demand for resources to address Tribal nonpoint source program needs.

CATEGORIAL PROGRAM GRANTS (STAG)
by National Program and State Grant
(*Dollars in Thousands)*

Grant	FY2003 President's Budget	FY 2004 President's Budget	Difference
Air & Radiation			
State and Local Assistance	$221,540.1	$228,550.0	$7,009.9
Tribal Assistance	$11,044.5	$11,050.0	$5.5
Radon	$8,139.9	$8,150.0	$10.1
	$240,724.5	**$247,750.0**	**$7,025.5**
Water Quality			
Pollution Control (Section 106)	$180,376.9	$200,400.0	$20,023.1
Beaches Protection	$10,000.0	$10,000.0	$0.0
Nonpoint Source (Section 319)	$238,476.8	$238,500.0	$23.2
Wetlands Program Development	$14,967.0	$20,000.0	$5,033.0
Water Quality Cooperative Agreements	$18,958.2	$19,000.0	$41.8
Targeted Watersheds	$20,000.0	$20,000.0	$0.0
	$482,778.9	**$507,900.0**	**$25,121.1**
Drinking Water			
Public Water System Supervision (PWSS)	$93,100.2	$105,100.0	$11,999.8
Underground Injection Control (UIC)	$10,950.9	$11,000.0	$49.1
Homeland Security	$5,000.0	$5,000.0	$0.0
	$109,051.1	**$121,100.0**	**$12,048.9**
Hazardous Waste			
H.W. Financial Assistance	$106,363.6	$106,400.0	$36.4
Brownfields	$50,000.0	$60,000.0	$10,000.0
Underground Storage Tanks	$11,918.4	$11,950.0	$31.6
	$168,282.0	**$178,350.0**	**$10,068.0**
Pesticides & Toxics			
Pesticides Program Implementation	$13,085.5	$13,100.0	$14.5
Lead	$13,682.0	$13,700.0	$18.0
Toxic Substances Compliance	$5,138.8	$5,150.0	$11.2
Homeland Security	$0.0	$0.0	$0.0
Pesticides Enforcement	$19,867.8	$19,900.0	$32.2
	$51,774.1	**$51,850.0**	**$75.9**
Multimedia			
Environmental Information	$25,000.0	$25,000.0	$0.0
Enforcement State Grants	$15,000.0	$0.0	-$15,000.0
Pollution Prevention	$5,986.3	$6,000.0	$13.7
Enforcement & Compliance Assurance	$2,209.3	$2,250.0	$40.7
Indian General Assistance Program	$57,469.7	$62,500.0	$5,030.3
	$105,665.3	**$95,750.0**	**-$9,915.3**
TOTALS	**$1,158,276.0**	**$1,202,700.0**	**$44,424.1**

FY 2004 STAG CATEGORICAL PROGRAM GRANTS
Statutory Authority and Eligible Uses
(Dollars in Thousands)

Grant Title	Statutory Authorities	Eligible Recipients*	Eligible Uses	FY 2003 Request	FY 2004 Goal/ Objective	FY 2004 Request
Air Resource Assistance	Clean Air Act, §103	Air pollution control agencies as defined in section 302(b) of the CAA	S/L monitoring and data collection activities in support of the establishment of a $PM_{2.5}$ monitoring network and associated program costs.	$42,500.0	Goal 1, Obj. 1	$42,500.0
Air Resource Assistance	Clean Air Act, §103	Multi-jurisdictional organizations (non-profit organizations whose boards of directors or membership is made up of CAA section 302(b) agency officers and Tribal representatives and whose mission is to support the continuing environmental programs of the states)	Coordinating or facilitating a multi-jurisdictional approach to addressing regional haze.	$10,000.0	Goal 1, Obj. 1	$10,000.0

FY 2004 STAG CATEGORICAL PROGRAM GRANTS
Statutory Authority and Eligible Uses
(Dollars in Thousands)

Grant Title	Statutory Authorities	Eligible Recipients*	Eligible Uses	FY 2003 Request	FY 2004 Goal/ Objective	FY 2004 Request
Air Resource Assistance	Clean Air Act, Sections 103, 105, 106	Air pollution control agencies as defined in section 302(b) of the CAA; Multi-jurisdictional organizations (non-profit organizations whose boards of directors or membership is made up of CAA section 302(b) agency officers and whose mission is to support the continuing environmental programs of the states); Interstate air quality control region designated pursuant to section 107 of the CAA or of implementing section 176A, or section 184 NOTE: only the Ozone Transport Commission is eligible as of 2/1/99	Carrying out the traditional prevention and control programs required by the CAA and associated program support costs; Coordinating or facilitating a multi-jurisdictional approach to carrying out the traditional prevention and control programs required by the CAA; Supporting training for CAA section 302(b) air pollution control agency staff; Coordinating or facilitating a multi-jurisdictional approach to control interstate air pollution	$169,040.1	Goal 1, All Objs.	$176,050.0

FY 2004 STAG CATEGORICAL PROGRAM GRANTS
Statutory Authority and Eligible Uses
(Dollars in Thousands)

Grant Title	Statutory Authorities	Eligible Recipients*	Eligible Uses	FY 2003 Request	FY 2004 Goal/ Objective	FY 2004 Request
Air Tribal Assistance	Clean Air Act, Sections 103 and 105; TCA in annual Appropriations Acts	Tribes; Intertribal Consortia; State/ Tribal college or university	Conducting air quality assessment activities to determine a tribe's need to develop a CAA program; Carrying out the traditional prevention and control programs required by the CAA and associated program costs; Supporting training for CAA for federally recognized tribes	$11,044.5	Goal 1, Obj. 1 Obj. 2	$11,050.0
Radon	Toxic Substances Control Act, Sections 10 and 306; TCA in annual Appropriations Acts.	State Agencies, Tribes, Intertribal Consortia	Assist in the development and implementation of programs for the assessment and mitigation of radon	$8,139.9	Goal 4, Obj. 4	$8,150.0
Water Pollution Control Agency Resource Supplementation	FWPCA, as amended, §106; TCA in annual Appropriations Acts.	States, Tribes and Intertribal Consortia, and Interstate Agencies	Develop and carry out surface and ground water pollution control programs, including NPDES permits, TMDL's, WQ standards, monitoring, and NPS control activities.	$180,376.9	Goal 2, Obj. 2	$200,400.0

FY 2004 STAG CATEGORICAL PROGRAM GRANTS
Statutory Authority and Eligible Uses
(Dollars in Thousands)

Grant Title	Statutory Authorities	Eligible Recipients*	Eligible Uses	FY 2003 Request	FY 2004 Goal/ Objective	FY 2004 Request
Nonpoint Source (NPS)	FWPCA, as amended, § 319(h); TCA in annual Appropriations Acts.	States, Tribes, Intertribal Consortia	Implement EPA-approved State and Tribal nonpoint source management programs and fund priority projects as selected by the State.	$238,476.8	Goal 2, Obj. 3	$238,500.0
Wetlands Program Development	FWPCA, as amended, §104 (b) (3); TCA in annual Appropriations Acts.	States, Local Governments, Tribes, Interstate Organizations, Intertribal Consortia, and Non-Profit Organizations	To develop new wetland programs or enhance existing programs for the protection, management and restoration of wetland resources.	$14,967.0	Goal 2, Obj. 2	$20,000.0
Water Quality Cooperative Agreements	FWPCA, as amended, §104(b) (3); TCA in annual Appropriations Acts.	States, Local Governments, Tribes, Non-Profit Organizations, Intertribal Consortia, and Interstate Organizations	Creation of unique and innovative approaches to pollution control and prevention requirements associated with wet weather activities, AFOs, TMDLs, source water protection, and watersheds.	$18,958.2	Goal 2, Obj. 2	$19,000.0
Targeted Watershed Grants	FWPCA, as amended, §104 (b)(3); TCA in annual Appropriations Act	States, Local Governments, Tribes, Interstate Organizations, Intertribal Consortia, and Non-Profit Organizations	Assistance for up to 20 watersheds to expand and improve existing watershed protection efforts.	$20,000.0	Goal 2, Obj. 2	$20,000.0

FY 2004 STAG CATEGORICAL PROGRAM GRANTS
Statutory Authority and Eligible Uses
(Dollars in Thousands)

Grant Title	Statutory Authorities	Eligible Recipients*	Eligible Uses	FY 2003 Request	FY 2004 Goal/ Objective	FY 2004 Request
Public Water System Supervision (PWSS)	Safe Drinking Water Act, §1443(a); TCA in annual Appropriations Acts.	States, Tribes, and Intertribal Consortia	Assistance to implement and enforce National Primary Drinking Water Regulations to ensure the safety of the Nation's drinking water resources and to protect public health.	$93,100.2	Goal 2, Obj. 1	$105,100.0
Public Water System Supervision (PWSS) - Homeland Security	Safe Drinking Water Act, §1443(a); TCA in annual Appropriations Acts.	States, Tribes, and Intertribal Consortia	Water security coordinators to work with EPA and drinking water utilities in assessing drinking water safety.	$5,000.0	Goal 2, Obj. 1	$5,000.0
Underground Injection Control [UIC]	Safe Drinking Water Act, § 1443(b); TCA in annual Appropriations Acts.	States, Tribes, Intertribal Consortia	Implement and enforce regulations that protect underground sources of drinking water by controlling Class I-V underground injection wells.	$10,950.9	Goal 2, Obj. 1	$11,000.0
Beaches Grants	Beaches Environmental Assessment and Coastal Health Act of 2000; TCA in annual Appropriations Acts.	States, Tribes, Intertribal Consortia, Local Governments	Develop and implement programs for monitoring and notification of conditions for coastal recreation waters adjacent to beaches or similar points of access that are used by the public.	$10,000.0	Goal 2, Obj. 1	$10,000.0

FY 2004 STAG CATEGORICAL PROGRAM GRANTS
Statutory Authority and Eligible Uses
(Dollars in Thousands)

Grant Title	Statutory Authorities	Eligible Recipients*	Eligible Uses	FY 2003 Request	FY 2004 Goal/ Objective	FY 2004 Request
Hazardous Waste Financial Assistance	Resource Conservation Recovery Act, § 3011; FY 1999 Appropriations Act (PL 105-276); TCA in annual Appropriations Acts.	States, Tribes, Intertribal Consortia	Development & Implementation of Hazardous Waste Programs	$106,363.6	Goal 4, Obj. 5 Goal 5, Obj. 1, Obj. 2 Goal 9, Obj. 1	$106,400.0
Brownfields	Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, Section 128	States, Tribes, Intertribal Consortia	Build and support Brownfields programs which will assess contaminated properties, oversee private party cleanups, provide cleanup support through low interest loans, and provide certainty for liability related issues.	$50,000.0	Goal 5, Obj. 1	$60,000.0
Underground Storage Tanks [UST]	Resource Conservation Recovery Act Sections 8001 and 2007(f) and FY 1999 Appropriations Act (PL 105-276); TCA in annual Appropriations Acts.	State, Tribes and Intertribal Consortia	Demonstration Grants, Surveys and Training; Develop & implement UST program	$11,918.4	Goal 5, Obj. 2	$11,950.0

FY 2004 STAG CATEGORICAL PROGRAM GRANTS
Statutory Authority and Eligible Uses
(Dollars in Thousands)

Grant Title	Statutory Authorities	Eligible Recipients*	Eligible Uses	FY 2003 Request	FY 2004 Goal/ Objective	FY 2004 Request
Pesticides Program Implementation	The Federal Insecticide, Fungicide, and Rodenticide Act § 20 & 23; the FY 1999 Appropriations Act (PL 105-276); FY 2000 Appropriations Act (P.L. 106-74); TCA in annual Appropriations Acts.	States, Tribes and Intertribal Consortia	Assist states and tribes to develop and implement pesticide programs, including programs that protect workers, ground-water, and endangered species from pesticide risks, and other pesticide management programs designated by the Administrator; develop and implement programs for certification and training of pesticide applicators; develop Integrated Pesticides Management (IPM) programs; support pesticides education, outreach, and sampling efforts for tribes.	$13,085.5	Goal 4, Obj. 1	$13,100.0

FY 2004 STAG CATEGORICAL PROGRAM GRANTS
Statutory Authority and Eligible Uses
(Dollars in Thousands)

Grant Title	Statutory Authorities	Eligible Recipients*	Eligible Uses	FY 2003 Request	FY 2004 Goal/ Objective	FY 2004 Request
Lead	Toxic Substances Control Act, § 404 (g); TSCA 10; FY2000 Appropriations Act (P.L. 106-74); TCA in annual Appropriations Acts.	States, Tribes, Intertribal Consortia	To support and assist states and tribes to develop and carry out authorized state lead abatement certification, training and accreditation programs; and to assist tribes in development of lead programs.	$13,682.0	Goal 4, Obj. 2	$13,700.0
Toxic Substances Compliance Monitoring**	Toxic Substances Control Act, §28(a) and 404 (g); TCA in annual Appropriations Acts.	States, Territories, Tribes, Intertribal Consortia	Assist in developing and implementing toxic substances enforcement programs for PCBs, asbestos, and lead-based paint	$5,138.8	Goal 9, Obj. 1	$5,150.0
Pesticide Enforcement	FIFRA § 23(a) (1); FY 2000 Appropriations Act (P.L. 106-74); TCA in annual Appropriations Acts.	States, Territories, Tribes, Intertribal Consortia	Assist in implementing cooperative pesticide enforcement programs	$19,867.8	Goal 9, Obj. 1	$19,900.0

FY 2004 STAG CATEGORICAL PROGRAM GRANTS
Statutory Authority and Eligible Uses
(Dollars in Thousands)

Grant Title	Statutory Authorities	Eligible Recipients*	Eligible Uses	FY 2003 Request	FY 2004 Goal/ Objective	FY 2004 Request
National Environmental Information Exchange Network (NEIEN, aka "the Exchange Network")	As appropriate, Clean Air Act, Sec. 103; Clean Water Act, Sec. 104; Solid Waste Disposal Act, Sec. 8001; FIFRA, Sec 20; TSCA, Sec. 10 and 28; Marine Protection, Research and Sanctuaries Act, Sec. 203; Safe Drinking Water Act, Sec. 1442; Indian Environmental General Assistance Program Act of 1992, as amended; FY 2000 Appropriations Act (P.L. 106-74); Pollution Prevention Act, Sec. 6605; FY 2002 Appropriations Act and FY 2003 Appropriations Acts.	States, tribes, interstate agencies, tribal consortium, and other agencies with related environmental information activities.	Assists states and others to better integrate environmental information systems, better enable data-sharing across programs, and improve access to information.	$25,000.0	Goal 7 Obj. 1	$25,000.0
Pollution Prevention	Pollution Prevention Act of 1990, §6605; TSCA 10; FY2000 Appropriations Act (P.L. 106-74); TCA in annual Appropriations Acts.	States, Tribes, Intertribal Consortia	To assist state and tribal programs to promote the use of source reduction techniques by businesses and to promote other Pollution Prevention activities at the state and tribal levels.	$5,986.3	Goal 4, Obj. 5	$6,000.0

FY 2004 STAG CATEGORICAL PROGRAM GRANTS
Statutory Authority and Eligible Uses
(Dollars in Thousands)

Grant Title	Statutory Authorities	Eligible Recipients*	Eligible Uses	FY 2003 Request	FY 2004 Goal/ Objective	FY 2004 Request
Enforcement & Compliance Assurance**	As appropriate, Clean Air Act, Sec. 103; Clean Water Act, Sec. 104; Solid Waste Disposal Act, Sec. 8001; FIFRA, Sec 20; TSCA, Sec. 10 and 28; Marine Protection, Research and Sanctuaries Act, Sec. 203; Safe Drinking Water Act, Sec. 1442; Indian Environmental General Assistance Program Act of 1992, as amended; FY 2000 Appropriations Act (P.L. 106-74); TCA in annual Appropriations Acts.	State, Territories, Tribes, Intertribal Consortia, Multi-jurisdictional Organizations	Assist in developing innovative sector-based, multi-media, or single-media approaches to enforcement and compliance assurance	$2,209.3	Goal 9, Obj. 2	$2,250.0
Multi-media Enforcement State Grants	FY 2003 President's Budget	States, Tribes, and other entities to be determined.	Media-specific and multi-media funding to states and tribes for compliance assurance activities including compliance assistance and incentives, inspections, and enforcement actions.	$15,000.0	Goal 9, Obj. 1	$0.0

FY 2004 STAG CATEGORICAL PROGRAM GRANTS
Statutory Authority and Eligible Uses
(Dollars in Thousands)

Grant Title	Statutory Authorities	Eligible Recipients*	Eligible Uses	FY 2003 Request	FY 2004 Goal/ Objective	FY 2004 Request
Indian General Assistance Program	Indian Environmental General Assistance Program Act of 1992, as amended; TCA in annual Appropriations Acts.	Tribal Governments and Intertribal Consortia	Plan, develop and establish Tribal environmental protection programs.	$57,469.7	Goal 4, Obj. 7	$62,500.0

* The Recipients listed in this column reflect assumptions in the FY 2004 Budget Request in terms of expected and/or anticipated eligible recipients.
** In prior years these grants were displayed as Toxic Enforcement Grants. They are both part of the Toxics Enforcement Key Program [Goal 9, Objectives 1 and 2.]

INFRASTRUCTURE FINANCING
(Dollars in Millions)

	FY 2003 President's Budget	FY 2004 President's Budget
Infrastructure Financing		
Clean Water State Revolving Fund (CWSRF)	$1,212.0	$850.0
Drinking Water State Revolving Fund (DWSRF)	$850.0	$850.0
Mexican Border Projects	$75.0	$50.0
Alaska Native Villages	$40.0	$40.0
Targeted Projects - Puerto Rico	$0.0	$8.0
Targeted Projects - South Dakota Homestake Mine	$8.0	$0.0
Brownfields Environmental Projects	$120.5	$120.5
Total	**$2,305.5**	**$1,918.5**

Infrastructure Funds

The President's Budget requests a total of $1,918.5 million in 2004 for EPA's Infrastructure programs, a decrease of $387.0 million from 2003. Of the total infrastructure request, $1,748.0 million will support EPA's Goal 2: Clean and Safe Water, $120.5 million will support EPA's Goal 5: Better Waste Management and $50.0 million will support EPA's Goal 6: Reduction of Global and Cross-border Environmental Risks. The $387.0 million decrease is the net result of a $362.0 million decrease to the Clean Water State Revolving Fund (CWSRF); a decrease of $25.0 million for Mexican Border Projects; a decrease of $8.0 million in Targeted Projects for the Homestake Mine; and an increase of $8.0 million in Targeted Projects for drinking water in Puerto Rico.

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

Providing STAG funds to capitalize State Revolving Fund (SRF) programs, EPA works in partnership with the states to provide low-cost loans to municipalities for infrastructure construction. As set-asides of the SRF programs, grants are available to Indian Tribes and Alaska Native Villages for drinking water and wastewater infrastructure needs based on national

priority lists. The Brownfields Environmental Program provides states, tribes, political subdivisions (including cities, towns, and counties) the necessary tools, information, and strategies for promoting a unified approach to environmental assessment cleanup, characterization, and redevelopment at sites contaminated with hazardous wastes and petroleum contaminants.

The resources requested in this budget will enable the Agency, in conjunction with EPA's state, local, and Tribal partners, to achieve several important goals for 2004. Some of these goals include:

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

- Award 126 assessment grants under the Brownfields program, bringing the cumulative total grants awarded to 689 by the end of FY 2004 paving the way for productive reuse of these properties. This will bring the total number of sites assessed to 5,800 while leveraging a total of $6.7 billion in cleanup and redevelopment funds since 1995. EPA's Brownfields program is complemented by efforts of the Department of Housing and Urban Development as well as tax incentive programs.

Goal 2: Enhancing Human Health through Clean and Safe Water

Capitalizing Clean Water and Drinking Water State Revolving Funds

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

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

The President's Budget proposes to fund the CWSRF at $850 million each year through 2011 and increase the revolving level by $800 million to $2.8 billion, a 40 percent increase over the existing $2.0 billion goal. Because of the revolving nature of the program, funds invested in the SRF have a multiplier effect that generates far more purchasing power over 20 years than grants. As a result, this extended funding of $4.4 billion is projected to close the $21 billion gap between current capital funding levels and future water infrastructure capital needs estimated by EPA, assuming that spending increases at three percent real growth per year.

More than $19 billion has already been provided to capitalize the CWSRF, over twice the original Clean Water Act authorized level of $8.4 billion. Total CWSRF funding available for loans since 1987, reflecting loan repayments, state match dollars, and other funding sources, is approximately $42.4 billion, of which more than $38.7 billion has been provided to communities as financial assistance. As of July 2002, $3.7 billion is being readied for loans.

The dramatic progress made in improving the quality of wastewater treatment since the 1970s is a national success. In 1972, only 84 million people were served by secondary or advanced wastewater treatment facilities. Today, 99 percent of community wastewater treatment plants, serving 181 million people, use secondary treatment or better.

The President's Budget request extends Federal support for the Drinking Water State Revolving Fund so it can revolve at $1.2 billion per year, more than double the previous goal of $500 million. To realize this increased revolving level, we are proposing $850 million for FY 2004 to FY 2018. This proposal extends the commitment for the DWSRF well beyond the FY 2003 authorization period. Because of the revolving nature of the program, funds invested in the SRF have a multiplier effect that generates far more purchasing power over 20 years than grants. As a result, this extended funding is projected help close the $45 billion gap between current capital funding levels and future water infrastructure capital needs estimated by EPA, assuming that spending increases at three percent real growth per year. Through the DWSRF program, states will provide loans to finance improvements to community water systems so that they can achieve compliance with the mandates of the Safe Drinking Water Act and continue to protect public health. Some non-state recipients, such as the District of Columbia and the Tribes, will receive their DWSRF allocations in the form of grants.

The DWSRF will be self-sustaining in the long run and will help offset the costs of ensuring safe drinking water supplies and assisting small communities in meeting their responsibilities. Through FY 2002, Congress has appropriated $5.3 billion for the DWSRF program. Through June 30, 2002, States had received $4.4 billion in capitalization grants, which when combined with the state match, bond proceeds and other funds provided $6.7 billion in total cumulative funds available for loans. Through June 30, 2002, States had made more than 2,400 loans totaling $5.1 billion and $1.6 billion remained available for loans.

State Flexibility between SRFs

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

Set-Asides for Tribes

To improve public health and water quality in Indian Country, the Agency proposes to continue the 1 1/2% set-aside of the CWSRF for wastewater grants to tribes as provided in the

Agency's 2002 appropriation. More than 70,000 homes in Indian country have inadequate or nonexistent wastewater treatment. EPA and the Indian Health Service estimate that Tribal wastewater infrastructure needs exceed $650.0 million.

Supporting Alaska Native Villages

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

Targeted Projects

The President's Budget requests $8 million for the design of upgrades to Metropolitano's Sergio Cuevas treatment plant in San Juan, Puerto Rico. When all upgrades are complete, EPA estimates that about 1.4 million people will enjoy safer, cleaner drinking water.

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

Brownfields Environmental Projects

The President's Budget requests a total of $120.5 million for brownfields environmental projects. EPA will award grants for assessment activities, cleanup, and Brownfields cleanup revolving loan funds (BCRLF). Additionally, this includes cleanup of sites contaminated by petroleum or petroleum products and environmental job training grants.

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

The President's Budget requests a total of $50.0 million for water infrastructure projects along the U.S./Mexico Border. The goal of this program is to reduce environmental and human health risks along the U.S./Mexico Border. The communities along both sides of the Border are facing unusual human health and environmental threats because of the lack of adequate wastewater and drinking water facilities. EPA's U.S./Mexico Border program provides funds to support the planning, design and construction of high priority water and wastewater treatment projects along the U.S./Mexico Border. The Agency's goal is to have a cumulative total of 9,900 people in the Mexico border area protected from health risks because of adequate water and wastewater sanitation systems funded.

WORKING CAPITAL FUND

In FY 2004, the Agency begins its eighth year of operation of the Working Capital Fund (WCF). It is a revolving fund authorized by law to finance a cycle of operations, where the costs of goods and services provided are charged to the users on a fee-for-service basis. The funds received are available without fiscal year limitation, to continue operations and to replace capital equipment. EPA's WCF was implemented under the authority of Section 403 of the Government Management Reform Act of 1994 and EPA's FY 1997 Appropriations Act. Permanent WCF authority was contained in the Agency's FY 1998 Appropriations Act.

The Chief Financial Officer and the Office of the Comptroller initiated the WCF in FY 1997 as part of their effort to: (1) be accountable to Agency offices, the Office of Management and Budget, and the Congress; (2) increase the efficiency of the administrative services provided to program offices; and (3) increase customer service and responsiveness. The Agency has a WCF Board which provides policy and planning oversight and advises the CFO regarding the WCF financial position. The Board, chaired by the Comptroller, is composed of eighteen permanent members from the program offices and the regional offices.

Two Agency Activities begun in FY 1997 will continue into FY 2004. These are the Agency's data processing and telecommunications operations, managed by the Office of Technology Operations and Planning (OTOP), and Agency postage costs, managed by the Office of Administration. The Agency's FY 2004 budget request includes resources for these two Activities in each National Program Manager's submission, totaling approximately $132.0 million. These estimated resources may be increased to incorporate program office's additional service needs during the operating year. To the extent that these increases are subject to Congressional reprogramming notifications, the Agency will comply with all applicable requirements.

MAJOR MANAGEMENT CHALLENGES

EPA senior managers work diligently to address the complex management challenges the Agency must meet to achieve program results, maintain integrity and strengthen the public's confidence in the Agency. The President's Management Agenda[1], an initiative to improve management, performance, and accountability government-wide, has placed additional emphasis on effective program management.

In FY 2002 the Agency accelerated efforts to address its most serious management problems and corrected all four of its material weaknesses as well as a number of its other management challenges—deficiencies in program policies, guidance, or procedures that might impair the Agency's ability to achieve its mission. EPA's record in correcting its management challenges has steadily improved over the past decade, and, for the first time in the 20 year history of the Integrity Act, EPA has no material weaknesses. The progress in correcting weaknesses and addressing challenges exemplifies EPA's strong commitment to improving integrity and accountability in all programs, organizations, and functions.

The Agency uses a system of internal program reviews, independent reviews, and audits by the General Accounting Office (GAO) and EPA's Office of the Inspector General (OIG); program evaluations; and performance measurements to ensure that program activities are effectively carried out in accordance with applicable laws and sound management policy, and provide reasonable assurance that Agency resources are protected against fraud, waste, abuse, and mismanagement.

In identifying and monitoring management challenges, EPA considers government-wide high-risk areas identified by GAO, and management challenges identified by the Office of Management and Budget (OMB), GAO, OIG or EPA itself. Following are brief descriptions and summaries on efforts underway to address the management challenges facing the Agency. The Agency will continue to use the tools available under GPRA and other management statutes to assist in addressing these issues.

Protecting Critical Infrastructure from Non-traditional Attacks

EPA has the responsibility of helping to assess the security the nation's drinking and wastewater infrastructure and responding and recovering from acts of biological, chemical, certain radiological and other terrorist's attacks. To achieve its goals, the Agency needs to apply technical, organizational, resource, training, and communication assets to complex issues with unprecedented dispatch. Success requires simultaneous attention to questions of threat, capabilities and deficiencies, preparedness, management and oversight, and efficiency and effectiveness. OIG identified this issue as a management challenge in FY 2002.

EPA has taken measures to respond to terrorist incidents and is taking steps to better prepare for, and respond to, future incidents based on lessons learned. The Agency carried out its mission and accomplished a remarkable achievement in responding to three national incidents during the same time period in response to the attacks on the World Trade Center and the Pentagon, and the cleanup of anthrax contamination in the Capitol Complex and other facilities

around the country. One of these tasks, cleaning up anthrax contamination from the Capitol Hill Complex, defied the customary thinking that the cleanup of an anthrax-contaminated building was impossible.

The July 2002 *National Strategy for Homeland Security*[ii] designated EPA as the lead agency for protecting critical drinking and wastewater infrastructure. The November 2002 Reorganization Plan for the Department of Homeland Security also identifies some areas where EPA will coordinate efforts with the Department.

In testimony before the Senate Committee on Environment and Public Works on September 24, 2002[iii], the EPA Administrator described in detail the aggressive and effective actions EPA has taken to build on existing strengths to meet new security challenges. EPA worked to define its role in homeland security and to make decisions regarding where the Agency should allocate existing and new resources, authority, and personnel to ensure the safety of human health and the environment. The Agency conducted two major reviews of lessons learned, one relating to the incidents of September 11 and the other related to EPA's anthrax response. EPA used objective outside sources to conduct extensive interviews with Agency personnel, from front line staff to senior managers, to examine what EPA had learned from its response activities.

EPA chairs the interagency National Response Team (NRT), which has an excellent track record for federal-state coordination. In FY 2002 the Office of Homeland Security (OHS) asked the NRT to be an OHS work group providing interagency policy coordination assistance on terrorist incident preparedness and response. The NRT also completed anthrax and World Trade Center/Pentagon lessons learned documents for use by member agencies and developed anthrax cleanup technical assistance documents for use by planners and responders at all levels of government[iv].

EPA, in consultation with the drinking water and wastewater industries, developed vulnerability assessment tools, funded vulnerability assessments at the nation's 424 largest drinking water facilities serving nearly half the population, sped up establishment of a secure Information Sharing and Analysis Center for the water sector, provided threat information to utilities as required under Public Law 107-188[v] and initiated high priority water security research projects. The Agency developed EPA's Threat Warning System and Protective Measures, including facility protective measures, emergency preparedness and response activities, and protection of facilities in the water sectors and chemical industry. EPA implemented this system on September 10, 2002, and is now revising the system in response to lessons learned from this first implementation. Implementation has included providing alerts and protective information to members of the water sectors and chemical industry.

The lessons learned reports[vi] have generally concluded that EPA responded successfully; however, it can do better. In October 2002, the Administrator announced EPA's Strategic Plan for Homeland Security[vii], which supports the President's *National Strategy for Homeland Security*[viii] and the efforts to be undertaken by the new Department of Homeland Security. The plan serves as a blueprint on how to enhance EPA's ability to meet homeland security responsibilities. The activities and initiatives in EPA's plan will enhance the Agency's

capabilities to detect, prepare for, prevent, respond to, and recover from terrorist incidents. In turn, EPA will be able to provide improved information and knowledge to key response agencies and policy-makers, allowing them to make timelier and effective analytical and technological decisions to improve security, detect contamination, and respond to incidents. As the federal government continues to address the issue of protecting the nation, the plan will continue to be revised and improved. Some of the activities identified in the plan might eventually be carried out by the Department of Homeland Security or other agencies. The Federal Homeland Security Advisor commended EPA for its Homeland Security Strategic Plan, noting that it can serve as a model for other departments and agencies.

Working Relationship with the States [ix]

The National Environmental Performance Partnership System (NEPPS) established EPA-state working partnerships to address complex environmental issues with scarce resources. One of the primary tools for implementing NEPPS, performance partnership grants (PPGs), allows states and tribes to combine multiple EPA grants into one. In implementing the NEPPS program, including PPGs, the following are required to fully integrate NEPPS principles: leadership providing a clear direction and expectations, training and guidance, and goals and related performance measures to monitor and measure progress on achieving better environmental results. GAO identified EPA-state relationships as a major management challenge in January 1999 and 2001 reports to Congress. OIG also identified EPA's relationships with states as a management challenge in FY 2000-2002.

EPA works closely with states, tribes, other federal agencies, and other stakeholders to protect public health and the environment. Under NEPPS, the Agency committed to long-term collaboration with state agencies to improve EPA and state management of national environmental programs. NEPPS is a framework to build a result-based management system, focus on joint planning and priority setting and use environmental indicators and outcome measures for accountability. Although EPA and states recognize that existing implementation approaches are no longer efficient and effective, they have not yet agreed on how states will have flexibility, while being accountable for environmental results. For several years, EPA and the states have been implementing NEPPS with mixed results. As a result of an on-going program evaluation conducted jointly with the states, EPA is developing an implementation plan that will address the implementation issues identified.

Through NEPPS, EPA is improving EPA-state partnerships by working with the states to establish priorities, improve performance measures, and promote results-based management under the Performance Partnership System. The Agency is also developing tools that state and EPA NEPPS negotiators can use to clarify the appropriate performance expectations. In addition EPA and the Environmental Council of the States (ECOS) have an active work group to address issues and remove barriers to effective implementation of the Performance Partnership System.

The Agency developed issue papers on performance partnerships, integrated NEPPS principles in its planning, budgeting, and accountability systems, and included NEPPS Core Performance Measures in EPA's Annual Report. EPA continued development of a NEPPS primer on policies and practices enhanced its website to provide historical information and best

management practices, organized a national training conference, and continued bi-annual reporting on the states' use and application of PPGs.[x]

In FY 2003, EPA plans to meet with the states to identify national, state, and regional priorities, which will be incorporated into EPA's national strategic planning, budgeting, and accountability process in FY 2004. EPA and the states will review roles, responsibilities and resources to improve efficiency and environmental impact. The Agency will implement a communication strategy on the successes and benefits of the Performance Partnership System. The Agency will continue a joint annual evaluation of performance partnership agreements and review PPG Task Force recommendations on mitigating conflicts between performance partnership principles and categorical grants guidance. The Agency will also contract with an objective third party, such as the National Academy for Public Administration, to assess the U.S. environmental service delivery system, including NEPPS

Management of Biosolids

EPA needs to implement a national biosolids program and establish a strong enforcement program to meet the Clean Water Act requirements to reduce environmental risks and maximize the beneficial use of sewage sludge.[xi] OIG identified this issue as a management challenge in FY 2002.

EPA continues to meet its statutory obligations under the Clean Water Act (CWA) pertaining to sewage sludge. Although there has been concern as to the adequacy of the sewage sludge rule, and there is a need for some additional scientific research in this area, the inclusive process EPA has launched will adequately address the concerns and needs. The Agency requested that the National Research Council (NRC) make a second evaluation of the biosolids program, specifically of the scientific basis supporting the CWA Part 503 rule.[xii] The second NRC report, issued in July 2002[xiii], concluded that there was no documented scientific evidence that EPA's Part 503 sewage sludge standards failed to protect public health. The NRC stated that additional scientific work is needed to reduce persistent uncertainty about the potential for adverse human health effects from exposure to biosolids that are applied to the land. The Agency has set into motion a process for developing a response to the NRC's recommendations and the OIG's concerns. As part of the process, the Agency will seek public comment on its proposed determination on whether to regulate additional pollutants in biosolids as required by § 405(d) (20) (C) of the CWA.[xiv] The Agency is developing a draft Federal Register (FR) Notice seeking public comment and expects it to be published in early April 2003. Following receipt of comments and further analysis, EPA will publicly announce its plan in a final FR Notice in January 2004. This FR Notice will also include EPA's final decision on regulating additional pollutants under Part 503.

In addition to responding to the NRC report, the Agency will continue to communicate information on applying biosolids. The information will include a brief summary of additional research that is now being conducted to reduce public uncertainty, and that, if needed, will result in the modification of the biosolids regulation or land application practices. Although the Agency has not undertaken or completed all of the specific studies described in the preamble to Part 503, it has undertaken a variety of studies associated with biosolids recycling that it believes

to be very relevant today, and is undertaking new studies. In addition, studies by others outside the Agency have helped to resolve many of the issues of concern discussed in the preamble.

The Agency continues to maintain its position that land application of biosolids is an appropriate choice for communities, when conducted in compliance with EPA regulations. Given present scientific knowledge, EPA has based the allocation of resources to biosolids compliance and enforcement on the relatively low risks to public health and the environment posed by biosolids, which is treated sewage sludge. In contrast, the national priorities in EPA's water enforcement and compliance program focus on risks posed by untreated pollutants, including raw sewage, associated with storm water, sanitary sewer overflows, combined sewer overflows and concentrated animal feeding operations which involve the public's direct exposure to harmful pollutants. States have the flexibility and responsibility to address situations where compliance assistance and enforcement actions to address biosolids are appropriate and necessary. EPA has taken actions to address biosolids violations and will continue to take actions to address instances where biosolids pose an immediate endangerment to human health or the environment. EPA will reconsider resources devoted to biosolids if additional research and science demonstrate greater risk.

Lastly, EPA is continuing to work with States as it modernizes the Permit Compliance System (PCS) to allow for more effective program oversight. A separate workgroup (including both States and EPA) was devoted to the data needs for the biosolids program and held extensive discussions regarding the data needed to manage the biosolids program. Based on the recommendations of this workgroup, the PCS Executive Council decided to add data elements to PCS to improve tracking and oversight of the biosolids program, and design work is currently underway.

Reduce the Backlog of National Pollutant Discharge Elimination System (NPDES) Permits[xv]

Based on Permit Compliance System (PCS) data in November 1998, 26 percent of permits for major facilities had not been reissued following expiration, and 48 percent of permits for minor facilities had not been reissued. In 1999, the Agency estimated that the backlog in EPA-issued major permits had tripled over the past 10 years; likewise, the backlog in state-issued permits had doubled over that time. Expired NPDES permits might not reflect the most recent applicable effluent guidelines, water quality standards, or Total Maximum Daily Loads posing a threat to the environment. Without timely issuance of high-quality permits necessary improvements in water quality could be delayed. EPA identified this issue as a material weakness in FY 1998, and because the materiality of the issue was addressed, reduced it to an FY 2002 Agency weakness. OIG identified it as a management challenge FY 1998–2002.

Since the Agency identified this weakness in 1998, it has achieved 56 percent of targeted reduction in the backlog of major point source permits and achieved 58 percent of targeted reduction in the backlog for minor point source permits. EPA's comprehensive strategy for improving the NPDES permit program[xvi] has resulted in noteworthy progress, and it establishes a management control framework for continued improvement. EPA is deploying guidance and tools designed to help regions and states prioritize permits that have the greatest environmental

impact and to automate the permit writing process.[xvii] EPA believes it has addressed the materiality of this issue and put the management controls in place for continued progress. EPA is supporting a number of efforts to strengthen the NPDES Program: (1) two pilot projects with states to develop systems to address permits on a watershed basis, (2) an EPA/state project to identify permit streamlining opportunities, (3) expanded use of general permits to address increases in the permitting universe, and (4) ongoing permit quality reviews.

Information System Security

EPA needs a centralized security program with strong oversight processes to adequately address risks and ensure that valuable information technology resources and environmental data are secure. EPA declared information systems security plans as a material weakness in FY 1997, revised the weakness in FY 2000 to be more comprehensive, and in FY 2002 reduced the weakness to agency level because the materiality of the weakness had been addressed. OIG identified EPA's information system security as a management challenge in FY 1997-2002, noting it as an FY 2002 tier two challenge. GAO identified it as a major management challenge in FY 2000-2001.

EPA has made substantial progress in keeping pace with the evolving challenges of information security. In FY 2002 the Agency developed and began implementing a comprehensive strategy to systematically address security-related deficiencies in accordance with the Government Information Security Reform Act.[xviii] This strategy included initiating annual security risk assessments for Agency systems, and instituting regular monitoring and reporting of system owners' follow-up actions in response to the assessments. EPA has completed risk assessments for its critical applications and systems, and has implemented regular evaluations of its security network and data, network intrusion detection and monitoring controls, and formal security plan reviews. FY 2002 internal reviews show that EPA has an improved information security program that assesses, identifies, and mitigates risks to the Agency's data and systems.[xix] Recent network penetration tests validated that controls successfully deter penetration attempts. To improve on this performance, the Agency plans to enhance its ability to monitor activities at the subnetwork level to ensure deeper protection and guard against possible unauthorized access or internal exploitation.

EPA plans to sustain improvements through consistent security control implementation, ongoing evaluation and regular testing to ensure that the policies and procedures are effective. The Agency's validation strategy[xx] employs a variety of methods, processes, and mechanisms to ensure EPA's information security meets the criteria of the best industry practices and federal requirements. Validation methods include: (1) comprehensive risk assessments of major applications and general support systems using the security self-assessment methodology published by the National Institute of Standards and Technology[xxi], (2) implementation of central automated monitoring for assessing compliance with security standards, and (3) internal and external network penetration testing.

Information Resources Management (IRM) and Data Quality/Environmental and Performance Information Management

Consistent, complete, and current data are needed to support full and effective information sharing, environmental monitoring, and enforcement. If EPA and the states apply different data definitions or collect and input different data, the result can be reporting of inconsistent, incomplete, or obsolete data. EPA needs to continue developing and implementing its information management strategy to address Agency information management challenges such as data gaps. EPA declared IRM data management an Agency weakness in FY 1994 and expanded the scope of weakness in FY 2000. GAO identified this issue as a management challenge FY 1998-2002. OIG identified it as an FY 2002 management challenge, combining previous challenges on IRM and Data Quality.

EPA is working in partnership with the states to improve the management, comprehensiveness, consistency, reliability, and accuracy of its data. Better data management will reduce inefficiencies, and support better assessment of environmental results and Agency priority-setting to protect human health and the environment.

EPA has carried out a number of actions to improve data management practices. The Agency developed and approved six key environmental data standards prior to FY 2002[xxii], and in FY 2002 it completed one new data standard while initiating work on six additional standards. EPA is working with states and EPA system and program managers to implement these data standards in major environmental systems. The Agency maintained an Integrated Error Correction Process[xxiii] and drafted a Data and Information Quality Strategic Plan to present recommendations for improving the quality and management of collected data. EPA completed guidance for the EPA web site and is developing guidance on administrative control designations. EPA is also revising its IRM Strategic Plan and developing an Enterprise Architecture to address the integration and management of environmental data. Other corrective actions under way include developing a Strategic Information Plan for addressing data gaps, developing an Agency data architecture, developing and putting in place appropriate data management policies and procedures, and improving data collection processes through the use of the Central Data Exchange. As part of the Agency's Environmental Indicators Initiative, EPA also plans to release for public dialogue this year a draft report on the environment that uses environmental indicators to describe the status of the nation's environmental conditions and human health concerns. The public dialogue on the report will include discussions on the data and research needed to further develop environmental indicators. The Agency will continue efforts to identify data needed to manage programs and work with partners to provide timely, accurate, and consistent data.

Employee Competencies/Human Capital

To place the right people with the appropriate skills where they are needed, EPA must make human capital management an integral part of strategic and programmatic approaches to accomplishing its mission. The Agency needs to determine how human capital actions can best help achieve goals, identify milestones for key actions and establish results-oriented performance measures for human capital initiatives. With its Human Capital Strategic Plan in place, the

Agency has a blueprint for the initial and longer-term steps needed to begin addressing this weakness.[xxiv] EPA declared this issue an Agency weakness FY 2000. OIG identified employee competencies as a major management challenge FY 1998–2002.

EPA has made significant progress toward addressing this weakness and meeting the objectives of the President's Management Agenda initiative on Strategic Management of Human Capital. On-going efforts include aligning the Agency's human capital planning activities with strategic planning and budgeting processes, as well as continuing to implement EPA's Human Capital Strategic Plan. The Agency is developing a Workforce Planning System that will link competencies to mission needs along core business lines. EPA's Workforce Development Strategy (WDS) is a comprehensive program that focuses on training and development at all levels of the organization. As part of the WDS, the Agency developed and implemented a number of training programs: New Skills/New Options Program for administrative staff with electronic learning accounts available to eligible employees, the Mid-Level Development Program which introduces the SES core competencies to most EPA employees, and a management development program that includes supervisory and management training. In addition, EPA selected 51 participants for an SES Candidate Development Program. The Agency has established goal teams to set appropriate baselines to track advances in measuring results and programmatic benefits. The Agency is also working toward better alignment of its human capital strategy with annual performance goals/measures, strategic sub-objectives, and Agency activities. This effort will help the Agency develop human capital measures, set targets for environmental and programmatic outcomes, and track its costs and economic impacts. EPA also has made its SES Mobility Program part of regular agency operations, allowing senior managers to broaden their skill sets.

Improved Management of Assistance Agreements

EPA needs to improve overall grants management by implementing a competitive award policy and process, and by improving prioritization, oversight, and enforcement procedures. EPA needs to address problems repeatedly identified in audit reports concerning EPA's use of assistance agreements to accomplish its mission. In FY 1996, EPA declared a material weakness on grants closeout and oversight of assistance agreements. The weakness was reduced to Agency-level in FY 1999 and closed in FY 2000. EPA declared improved management of assistance agreements an Agency weakness in FY 2001. OMB and OIG identified the issue as a candidate material weakness in FY 2002. OIG identified is as a management challenge FY 2000-2002.

In FY 2002 the Agency made significant progress in strengthening grants management. OMB recognized this progress in its most recent Executive Branch Scorecard.[xxv] A major premise underlying the OIG's recommendation and OMB's concerns was the absence of a policy for competing discretionary grant funds. EPA has squarely addressed that issue by developing a new grant competition policy which went into effect October 1, 2002.

EPA also continues to make progress in improving post-award management, as evidenced by the 2002 post-award monitoring plans which included baseline reviews of grants and detailed desk top or on-site reviews of five percent to ten percent of all active grants, the

corrective actions taken by headquarters and regional offices in response to validation reviews, and the development of a new consolidated post-award monitoring policy.[xxvi]

EPA's strategies to improve grants management are solidly based on the risk involved. Each fiscal year, EPA awards approximately $3 billion in grants to support the environmental programs of state and local governments.[xxvii] These grants constitute more than 87 percent of the grant funds awarded by EPA annually. The concerns raised by the OIG do not demonstrate systemic mismanagement of these funds. This means that the primary area of risk involves other categories of grants that receive relatively small amounts of money (e.g., grants to nonprofit organizations, which receive about 6 percent of EPA's grant dollars each fiscal year). EPA is appropriately managing that risk by making cost-effective improvements to its already extensive set of management controls, including initiatives on strengthening the competitive process, post-award monitoring, procurement oversight and environmental results; recipient training and technical assistance, and, most important, strategic planning.

Linking Mission and Management

EPA works with its regional offices and state and federal partners to develop appropriate outcome measures and accounting systems that track environmental and human health results across the Agency's goals. This information must then become an integral part of senior management's decision making process. OIG identified this issue as an FY 2002 management challenge, combining FY 2001 management challenges on accountability and managerial accounting.

EPA has long focused on improving the way it manages for results and uses cost and performance information in decision making. The Agency has made substantial progress and achieved the following results in FY 2002: (1) an increased focus on performance and results as key criteria for developing EPA's FY 2004 budget, (2) the Administrator's decision to adopt fewer, more outcome-oriented goals in EPA's revised Strategic Plan, and (3) successful efforts to establish Business Objects as the Agency's standard financial reporting tool and expand the Financial Data Warehouse to make more information available to managers. EPA has been recognized for its achievements in integrating budget and performance.[xxviii] OIG has identified important improvement opportunities, and in FY 2003 EPA expects to build on progress made as it completes the revision of its Strategic Plan, implements the recommendations of the Managing for Improved Results Steering Group, and adopts business intelligence tools Agency-wide. In FY 2003, EPA will continue to enhance its cost accounting capabilities to strengthen the linkages between resources and performance in Agency program offices.

Innovative Regulatory Programs

EPA needs the flexibility to use innovative approaches to address complex and intractable environmental problems that warrant new and more cost-effective approaches. In the absence of specific legislative changes that would provide the authority for EPA to allow states and others to use innovative approaches, the Agency needs to closely monitor the new approaches to ensure they are more effective than the traditional approaches. GAO identified these issues as an FY 2002 major management challenge.

EPA continues initiatives to fully support and manage innovations and address concerns about flexibility. In 2002, EPA released a new innovation strategy that had resulted from an intensive 9-month task force review of EPA's innovation efforts[xxix]. The strategy's goals are being implemented through program and regional commitments to specific actions that are being tracked by the Agency's Innovation Action Council. EPA, states, localities, industry and nongovernmental organizations have been developing, testing and implementing innovative approaches for more than a decade. These efforts have produced a number of successful innovations, such as the Brownfields revitalization program.

As is always the case when new approaches or alternative ways are tried, some projects did not meet expectations. EPA has taken significant, concrete steps to establish Agency-wide controls that result in better priority setting, planning and monitoring of results. The Agency has several ongoing efforts to evaluate and learn from particular innovations that represent the best candidates for broader application. EPA has nearly completed an effort to evaluate pilot projects that seek to streamline pollution prevention considerations and infuse them into air permits, and the Agency is beginning to evaluate several innovative approaches to manage hazardous wastes in university labs. The new State Innovation Grants program requires that states receiving grants develop measures and performance outcomes over the lifetime of their projects.[xxx] The criteria for successful grant proposals include establishing goals for innovation and indicators to measure progress toward meeting these goals. Projects must have clear objectives, requirements and performance indicators in order to allow EPA and the public to evaluate the success of the project. State proposals include baseline and final outcome measures and a commitment to track and measure results.

Notes

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