

EPA's Mission

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

EPA's Goals

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

- **Clean Air:** The air in every American community will be safe and healthy to breathe. In particular, children, the elderly, and people with respiratory ailments will be protected from health risks of breathing polluted air. Reducing air pollution will also protect the environment, resulting in many benefits, such as restoring life in damaged ecosystems and reducing health risks to those whose subsistence depends directly on those ecosystems.
- **Clean and Safe Water:** All Americans will have drinking water that is clean and safe to drink. Effective protection of America's rivers, lakes, wetlands, aquifers, and coastal and ocean waters will sustain fish, plants, and wildlife, as well as recreational, subsistence, and economic activities. Watersheds and their aquatic ecosystems will be restored and protected to improve public health, enhance water quality, reduce flooding, and provide habitat for wildlife.
- **Safe Food:** The foods Americans eat will be free from unsafe pesticide residues. Particular attention will be given to protecting subpopulations that may be more susceptible to adverse effects of pesticides or have higher dietary exposures to pesticide residues. These include children and people whose diets include large amounts of noncommercial foods.
- **Preventing Pollution and Reducing Risk in Communities, Homes, Workplaces, and Ecosystems:** Pollution prevention and risk management strategies aimed at eliminating, reducing, or minimizing emissions and contamination will result in cleaner and safer environments in which all Americans can reside, work, and enjoy life. EPA will safeguard ecosystems and promote the health of natural communities that are integral to the quality of life in this nation.
- **Better Waste Management, Restoration of Contaminated Waste Sites, and Emergency Response:** America's wastes will be stored, treated, and disposed of in ways that prevent harm to people and the natural environment. EPA will work to clean up previously polluted sites, restore them to uses appropriate for surrounding communities, and respond to and prevent waste-related or industrial accidents.

- **Reduction of Global and Cross-Border Environmental Risks:** The United States will lead other nations in successful, multilateral efforts to reduce significant risks to human health and ecosystems from climate change, stratospheric ozone depletion, and other hazards of international concern.
- **Quality Environmental Information:** The public and decision makers at all levels will have access to information about environmental conditions and human health to inform decision making and help assess the general environmental health of communities. The public will also have access to educational services and information services and tools that provide for the reliable and secure exchange of quality environmental information.
- **Sound Science, Improved Understanding of Environmental Risk, and Greater Innovation to Address Environmental Problems:** EPA will develop and apply the best available science for addressing current and future environmental hazards as well as new approaches toward improving environmental protection.
- **A Credible Deterrent to Pollution and Greater Compliance with the Law:** EPA will ensure full compliance with laws intended to protect human health and the environment.
- **Effective Management:** EPA will maintain the highest-quality standards for environmental leadership and for effective internal management and fiscal responsibility by managing for results.

Organization of the Annual Performance Plan and Congressional Justification

The Agency's Commitment to Link Planning and Budgeting

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 organization of EPA's FY 2002 Annual Plan and Congressional Justification reflects the Agency's continuing commitment to link planning and budgeting in a coherent, integrated process. This integrated Annual Plan and Budget promotes fiscal accountability through a direct connection between resources and outcomes.

The Annual Plan and Budget presents the Agency's Goals and Objectives, and identifies the resource levels and activities associated with them. For each Objective, the Budget sets forth a set of annual performance goals and performance measures. These goals and measures represent intermediate, measurable levels of performance needed to achieve the Agency's Objectives contained in the Agency's new five-year Strategic Plan, which was submitted to Congress in September 2000. The Agency's revised Plan takes into account our performance over the past years and lays out new and innovative tools and approaches to advance our progress in environmental protection.

Resources and Performance Information in New Strategic Plan Structure

This Annual Plan and Budget contains four years of resource and performance information, FY 1999 through FY 2002, reflecting the Agency's current 2000 Strategic Plan structure. The FY 2002 resources associated with Goals and Objectives are based on the current 2000 Strategic Plan. Historic resources have been adjusted, for comparison purposes, to reflect the current 2000 Strategic Plan, and may differ from resources in associated Goals and Objectives in the Agency's initial 1997 Strategic Plan. These resource differences are due to changes of emphasis and definition in the Goals and Objectives.

Workforce Ceiling

The FY 2002 Annual Plan and Budget includes 17,500 Full Time Equivalents (FTE), which is 500 below the FY 2001 enacted level, and commensurate with EPA's current on-board level. This FTE ceiling allows EPA to streamline and manage the workforce while addressing America's environmental priorities.

Annual Plan Components

All of the components of the Annual Plan are contained within the Budget. To fully explain the Agency's resource needs, the Budget contains a set of annual performance goals and performance measures broader than what will be included in the Annual Plan submission to Congress under GPRA. The Agency will submit a stand-alone Annual Plan to Congress to meet the legislative concern expressed in GPRA that "annual plans not be voluminous presentations describing performance...for every activity. The

annual plan and reports are to inform, not overwhelm the reader.” (See the Special Analysis section of this document for the Annual Performance Plan components.)

Annual Performance Plan and Congressional Justification Organization:

Resource Tables

The resource tables provide a broad overview of the resources that the Agency is requesting for FY 2002 by Goal, Objective, and Appropriation. Historical data is provided from FY 1999, to align with four years of performance goals and measures. For proper comparison with the FY 2002 request, the historic data has been converted to be consistent with the new 2000 Strategic Plan structure. Please note that for FY 2000 the Agency is reporting actual obligations, including carryover dollars, in the Goal and Objective resource tables.

Goal Chapters include:

- **Background and Context:** Sets the broad context for the Goal and briefly explains why the Goal is of National importance.
- **Resource Summary:** Provides a broad overview of the resources for FY 2002 by Goal, Objective, and Appropriation. (The dollar amounts in these and other tables may not add due to independent rounding.)
- **Means and Strategy:** Broadly describes the Agency’s approach to achieving the strategic Goal.
- **Highlights:** Provides an overview of major activities and programs that contribute to achieving the Goal.
- **Strategic Objectives and Annual Performance Goals:** Includes all the Objectives under each Goal, and links those Objectives to FY 2002 Annual Performance Goals.
- **External Factors:** Addresses the external-Agency factors, such as participation in environmental programs by State and local governments and other stakeholders, or economic and technological factors that may enhance or impede progress toward achieving environmental goals.

Objective Sections Include:

- **Objective Statement:** Objectives are a critical part of the planning and budgeting process, and they respond to the GPRA requirement to plan achievable Objectives. Each Objective supports the attainment of a specific Goal.

- **Resource Summary:** Reports resources by Appropriation account for the Objective
- **Key Programs:** Reports resources for Key Programs, which are core Agency programs contributing to the Objective. Resources listed under an Objective may not represent the total Key Program resources, as a Key Program may be involved in more than one Objective.
- **FY 2002 Request:** These narratives describe specific Agency functions and the operational processes, as well as the human, capital and technological resources required to meet the performance goals.
- **FY 2002 Change from FY 2001 Enacted:** Describes major changes, by appropriation account, in programmatic funding within the Objective.
- **Annual Performance Goals:** Annual Performance Goals are central to measuring progress toward achieving Objectives. They are quantifiable standards, values, or rates against which actual achievement can be compared. They establish the connection between longer-term objectives and the day-to-day activities in the Agency's programs and will be used by managers to determine how well a program or activity is doing in accomplishing its intended results. This Annual Plan lists performance information for four years: actual results for FY 1999, and FY 2000, and Annual Performance Goals for FY 2001 and FY 2002.

The FY 2001 Annual Performance Goals included in the FY 2002 Annual Plan and Budget may have changed from those included in the FY 2001 Annual Plan submitted to Congress in February 2000. These changes are due to:

- Congressional action that has materially affected the FY 2000 President's Budget;
 - comments received by the Agency on the annual performance goals and measures contained in the FY 2001 President's Budget; and
 - the need to show FY 2001 performance estimates as context for new annual performance goals and measures established for FY 2002.
- **Performance Measures:** Performance Measures provide the means for determining the extent to which annual goals and multi-year objectives are being achieved. As such, they are essential to program evaluations that help to guide the Agency's strategic planning. As with the Annual Performance Goals, this Annual Plan/Budget includes Performance Measure data for four years.
- C **Verification and Validation of Performance Measures:** This section describes how Performance Measure data are verified and validated. It includes a description of the source of performance measure data, as well as procedures for quality assurance. It may also include information on the methodology of data collection and review.

- **Coordination with Other Agencies:** This section describes partnerships with other Federal and state agencies which are crucial to the success of EPA’s environmental programs.
- **Statutory Authority:** This section cites the public law that gives the Agency legal authority to carry out the Objective.

Special Analyses

This final section of the Annual Plan and Budget includes:

- **Annual Performance Plan Components:** Indicates the *Annual Plan* components of the Annual Plan and Budget.
- **Major Management Issues:** Describes the nature of EPA’s most pressing management problems, actions taken, and progress to date in addressing the major management challenges faced by the Agency.
- **Key Programs by Appropriation:** Reports totals for Agency Key Programs, across Goals and Objectives.
- **User Fees:** Describes the Agency’s user fee programs. User fees are the Congressionally-authorized collection of fees charged to Agency customers which cover the cost of selected permitting, testing, registration, and approval actions.
- **Working Capital Fund:** Provides information on the Working Capital Fund, a revolving fund authorized by law to finance a cycle of operations, where the costs of goods and services provided are charged to the Agency users on a fee-for-service basis.
- **Customer Service Standards:** Describes the Agency’s plan to improve its mission of protecting public health and the environment by more efficiently and effectively serving the public, industry, state and local agencies, and other customers.
- **Costs and Benefits of Economically Significant Rules:** Identifies regulatory actions that are likely to result in a rule that may have an annual effect on the economy of \$100 million or more. This analysis is required by executive order and is reported in the Agency’s annual “Regulatory Plan.”
- **Cost Allocation:** Provides information on the realignment of resources from Agency Management goal to the Agency’s other strategic goals where there is a readily identifiable cost that clearly contributes to the achievement of those goals.
- **State and Tribal Assistance Grants:** Provides tables on STAG components and categorical grants, as well as statutory authorities for the STAG appropriation.

Relationship between the Annual Plan and the Strategic Plan

The Annual Plan makes no substantive changes (not previously noted) to the Agency's Strategic Plan which was submitted to Congress in September 2000.

Relationship between Budgeted Resources and Annual Performance Goals and Measures

Annual Performance Goals are related to the resource levels contained in each Objective. Annual Performance Goals for FY 2002 in this Annual Performance Plan are based upon the resource levels in the Agency's FY 2002 budget request levels. However, resources may contribute not only to the budget year's Annual Performance Goals but also to the accomplishment of Goals in future years. For example, a performance goal to complete a number of Superfund site cleanups, or develop research methods and models, generally requires a period longer than one year. Thus, FY 2002 activities will contribute to completion of work in FY 2002 or beyond. Likewise, some FY 2002 Annual Performance Goals are achievable only with funding provided in prior years.

Given this multi-year characteristic of some of the resources requested, it is not always possible to establish direct linkages between the budget requested for a particular year and the achievement of all performance goals for that year.

Use of Non-Federal Parties in Preparing this Annual Plan

The Annual Plan was prepared in conformance with section 220.6(c) of OMB Circular A-11, concerning the role of non-Federal parties in preparing the Annual Plan.

Annual Plan and Budget Overview

A New Era of Cooperation in Environmental Protection

The Environmental Protection Agency's FY 2002 Annual Plan and Budget request of \$7.313 billion in discretionary budget authority, and 17,500 Full Time Equivalents (FTE), reflects a commitment to work for the American people to protect the air, land, and water, demonstrating that environmental protection and economic prosperity go hand in hand.

The Nation has made significant progress in protecting the environment and public health over the past three decades. The Administration is committed to providing all Americans a clean, healthy environment, while developing new and effective methods to achieve environmental progress. This budget reflects the Administration's commitment to setting high standards for environmental protection, focusing on results and performance.

Strengthening Partnerships with State, Local and Tribal Governments

The budget works for the American people by providing critical environmental and health protections, while recognizing that state, local and tribal governments often have the best solutions for their environmental challenges. Included within the Agency's \$3.7 billion Operating Program totals, the Agency's program grants to state and tribal governments are funded at the highest level ever – \$1.1 billion. These grants help states and tribes administer programs delegated to states and Tribes under Federal environmental statutes. Our commitment is to provide more flexibility to states and local communities to craft solutions that meet their unique environmental needs.

In particular, two new grant programs allow states to craft solutions that meet their unique needs. A new enforcement grant for states, funded at \$25 million, provides effective enforcement of environmental laws at the state level. This enforcement grant program supports state efforts in inspections, civil actions, investigations, and training activities, while reducing the Agency's direct role in these areas. In addition, this budget provides \$25 million for grants to help states upgrade and integrate their environmental data, providing a powerful tool for citizens, state and local governments, and industry.

Cleaning and Protecting America's Water

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

- C Protection from Drinking Water Contaminants. The 2002 request strengthens work with the states and tribes to implement new health based standards to control for microbial contaminants, disinfectants and their byproducts, and other contaminants.

C Drinking Water State Revolving Fund. The Drinking Water State Revolving Fund (DWSRF) request of \$823 million will provide substantial funding to states and tribes to upgrade and modernize drinking water systems.

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

C Beaches Grants. This budget includes \$2 million for grants to states to develop monitoring and notification programs for coastal recreation waters. This funding supports the Agency's implementation of the "Beaches Environmental Assessment and Coastal Health Act of 2000."

• Helping States Address Run-off and Restore Polluted Waters. The President's 2002 Budget provides significant resources to states to build on successes we have achieved in protecting the Nation's waters, by providing states and tribes with grants to address polluted run-off, protect valuable wetlands, and restore polluted waterways.

In 2003, water quality will improve on a watershed basis such that 600 of the Nation's 2,262 watersheds will have greater than 80 percent of assessed waters meeting all water quality standards. (Water quality is surveyed biennially.)

C Sewer Overflow Control Grants. The President's 2002 budget includes \$450 million for State Sewer Overflow Control grants, a newly authorized program to address pollution from combined sewer overflows and sanitary sewer overflows, which remains the Nation's most significant municipal wastewater problem. These funds will be allotted to states according to the existing formula for allotting wastewater grants.

• Clean Water State Revolving Fund. This budget request includes \$850 million for states and tribes for the Clean Water State Revolving Fund (CWSRF). States receive capitalization grants, which enable them to provide low interest loans to communities to construct wastewater treatment infrastructure and fund other projects to enhance water quality. This investment keeps EPA on track with our commitment to meet the goal for the CWSRF to provide \$2 billion average in annual financial assistance over the long-term even after Federal assistance ends.

700 CWSRF projects are intended to initiate operations, including 400 projects providing secondary treatment, advanced treatment, combined sewer overflow correction (treatment), and/or storm water treatment. Cumulatively, 7,900 CWSRF-funded projects will have initiated operations since program inception.

- Protecting Human Health along the U.S./Mexico Border. This budget includes \$74.8 million for water and wastewater projects along the U.S./Mexico Border. These resources help the Agency address the serious environmental and human health problems associated with untreated and industrial and municipal sewage on the U.S.-Mexico border.

A cumulative 790 thousand residents of the U.S.-Mexico border area will be protected from health risks because of the construction of adequate water and wastewater sanitation systems since 1994.

Clean and Healthy Air

Under the Clean Air Act, EPA works to make the air clean and healthy to breathe by setting standards for ambient air quality, toxic air pollutant emissions, new pollution sources, and mobile sources. In FY 2002, EPA will assist states, tribes and local governments in devising additional stationary source and mobile source strategies to reduce ozone and particulate matter. The Agency also will develop strategies and rules to help states and tribes reduce emissions and exposure to hazardous air pollutants, particularly in urban areas, and reduce harmful deposition in water bodies. A key to achieving the Clean Air Goal is \$219.6 million included in this budget for air grants which go directly to states and tribes.

Certify that 3 new areas of the remaining 55 nonattainment areas have attained the 1-hour NAAQS for ozone, thus increasing the number of people living in areas with healthy air quality by 2.9 million and maintain healthy air for 37 million people currently living in 49 areas attaining the standard.

Air toxic emissions nationwide from stationary and mobile sources combined will be reduced by five percent from 2001 (for a cumulative reduction of 40 percent from the 1993 annual level of 4.3 million

Addressing Climate Change

This budget request includes \$122.7 million to meet the Agency's climate change objectives by working with business and other sectors to deliver multiple benefits – from cleaner air to lower energy bills – while improving overall scientific understanding of climate change and its potential consequences. The core of EPA's climate change efforts are government/industry partnership programs designed to capitalize on the tremendous opportunities available to consumers,

Greenhouse gas emissions will be reduced from projected levels by approximately 73 million metric tons of carbon equivalent per year through EPA partnerships with businesses, schools, state and local governments, and other organizations. This reduction level will be an increase of 7 million metric tons over 2001 reduction levels.

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

Integrating Environmental Information

The President's Budget provides \$25 million for new grants to states to develop and implement the National Environmental Information Exchange Network. These grants will build on work that is already underway in several states, allowing them to participate in an integrated multi-media information network that will streamline reporting, improve information quality, and make the management and accessibility of environmental information more efficient. This approach will provide improved information for environmental assessment and decision-making, help to provide more reliable, quality information for the public, ease reporting burdens for the regulated community and standardize business processes.

Cleaning Up Toxic Waste

- Keeping Superfund Working. This budget continues a commitment to clean up toxic waste sites with \$1.3 billion for Superfund cleanups. The Agency will also work to maximize the participation of responsible parties in site cleanups while promoting fairness in the enforcement process. This budget will continue the dramatic progress we have made in cleaning up toxic waste sites, while protecting public health, and returning land to productive use. Through 2000, cleanups have been completed at 757 sites, and 6,286 removal actions have been taken.

EPA and its partners intend to complete 65 Superfund cleanups (construction completions) for an overall total of 897 construction completions by the end of 2002.
- Revitalizing Local Economies and Creating Jobs Through Brownfields Cleanup and Redevelopment. The FY 2002 budget request includes over \$97 million for the Brownfields program, which is an increase of \$5 million above the FY 2001 Enacted Level. The additional resources will support the redevelopment and revitalization of Brownfields communities by providing funding for additional assessment pilots and state voluntary cleanup programs. The Brownfields program will continue to promote local cleanup and redevelopment of industrial sites, returning abandoned land to productive use and bringing jobs to blighted areas.

EPA Brownfields funding will result in 250 site assessments (for a cumulative total of 2,750), 2,000 jobs generated (for a cumulative total of 14,000), and the leveraging of \$300 million in cleanup and redevelopment funds (for a cumulative total of \$3.4 billion).

Sound Science

The FY 2002 President's Budget supports EPA's efforts to improve the role of science in decision-making by using scientific information and analysis to help direct policy and establish priorities. The Agency will achieve maximum environmental and health protections by employing the best methods, models, tools, and approaches. This budget request includes \$575 million to develop and apply sound science to address both current and future environmental challenges. The budget request supports a balanced research and development program designed to address Administration and Agency priorities, and meet the challenges of the Clean Air Act (CAA), the Safe Drinking Water Act (SDWA), the Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA), the Food Quality Protection Act (FQPA), and others.

Research will provide data on health effects and exposure to particulate matter (PM), and provide methods for assessing the exposure and toxicity of PM in healthy and potentially susceptible subpopulations to strengthen the scientific basis for reassessment of the PM NAAQS.

Supporting States' Enforcement Efforts

The President's Budget includes a new \$25 million enforcement grant program. This reflects a shift in emphasis for enforcement from Federal enforcement to State enforcement for those programs already delegated to the States. This shift creates a new \$25 million grant program for States and tribes that will bring enforcement closer to the entity being regulated. EPA will offer media specific and multi-media funding to states and tribes for compliance assurance activities including compliance assistance and incentives, inspections, and enforcement actions.

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

The FY 2002 request includes \$148.8 million to help meet the multiple challenges of the implementation of the Food Quality Protection Act (FQPA) of 1996 so that all Americans will continue to enjoy one of the safest, most abundant, and most affordable food supplies in the world. FQPA focuses on the registration of reduced risk pesticides to provide an alternative to the older versions on the market, and on developing and delivering information on alternative pesticides/techniques and best pest control practices to pesticide users. FQPA implements a "whole farm" approach to pollution management and will help farmers transition - without disrupting production - to safer substitutes and alternative farming practices. Expanded support for tolerance reassessments will reduce the risks to public health from older pesticides. Reassessing existing

By the end of 2002, EPA will reassess a cumulative 66% of the 9,721 pesticide tolerances required to be reassessed over ten years. This includes 70% of the 893 tolerances having the greatest potential impact on dietary risks to children.

tolerances ensures food safety, especially for infants and children; and ensures that all pesticides registered for use meet the most current health standards. This budget request also supports FQPA-related science through scientific assessments of cumulative risk, including funds for validation of testing components of the Endocrine Disruptor Screening Program.

Summary

This President's FY 2002 Budget for EPA provides the resources and vision necessary to reach our Nation's environmental mission to protect the environment and human health. This budget represents this Administration's commitment to work with our environmental partners to develop innovative environmental programs that ensure stewardship of our land, air, and water for generations to come.