

ADMINISTRATOR'S LETTER

November 17, 2008

The President
The White House
Washington, D.C. 20500



Dear Mr. President:

I am pleased to transmit the U.S. Environmental Protection Agency's *Fiscal Year 2008 Performance and Accountability Report*. This report presents the Agency's programmatic and financial performance results for the year, discusses successes and challenges, and will inform policy and programmatic decisions.

The information delivered in this report is in compliance with guidance provided by the Office of Management and Budget. In addition, this report meets the requirements of the Government Performance and Results Act and other management legislation. In this report, EPA's performance is assessed against annual commitments in our *FY 2008 Annual Plan and Budget* and progress toward long-term goals in the *2006-2011 Strategic Plan*.

Data used to report progress are reliable and as complete as possible. Inherent to the nature of our work is a time lag between when we take an action to protect human health or the environment and when we can measure a result from that action. Therefore, for the reporting year, we cannot provide results data for several of our performance measures; however, we portray trend data, when possible, to show progress toward results over time, and we present final results for prior years when data have become available in FY 2008.

Performance Highlights

I am pleased to report that in FY 2008, EPA achieved results that demonstrate progress in advancing the Agency's mission of protecting human health and the environment. The *FY 2008 Performance and Accountability Report* describes our key accomplishments. For example, air quality is expected to improve as a result of implementing stringent new standards, including for ozone, set in the reporting year. Food is expected to be safer after the year's completed reassessment of all food-use pesticides. We improved over two thousand impaired water bodies, made 85 Superfund sites ready for reuse, and protected people from exposure to hazardous materials. As an Agency, we are more prepared to respond to emergencies and disasters. We added thousands of acres to the nation's wetlands, and we provided wastewater sanitation to thousands of homes along the United States-Mexico border. Our enforcement actions were strong and resulted in polluters taking measures to improve the environment. We have worked with partners and stakeholders across the nation to achieve these and other results while also addressing many challenges over the past year. Across our nation of 300 million partners from all sectors of society – businesses, communities, and individuals – we continue to build on our nation's environmental accomplishments and work toward creating a lasting legacy for future generations.

Management

In FY 2008, the Agency found no new material weaknesses in the design or operation of our internal controls over programmatic operations and financial reporting. We corrected the two information systems-related material weaknesses that we had identified in FY 2007, and we completed corrective actions to close two Agency-level weaknesses — Human Capital and Homeland Security — and a significant deficiency related to the Agency's practices for removing certain transactions from the financial management system. We continue to strengthen our overall internal controls and internal controls related to financial reporting, as required in Office of Management and Budget Circular A-123. Under the Federal Managers' Financial Integrity Act, I am providing an unqualified statement of assurance that EPA's overall internal controls and its internal controls over financial reporting protect the Agency's programs and resources from fraud, waste, abuse, and mismanagement. My assurance statement appears in the Management's Discussion and Analysis section of this report.

As required by the Reports Consolidation Act of 2000, EPA's Office of the Inspector General (OIG) identified what it considers to be the Agency's most serious management challenges in FY 2008. The OIG acknowledged that it may take years to resolve these challenges, and the efforts of EPA with Congress, other federal agencies, states, and communities. An example of one such challenge is securing the funding levels needed to construct, repair, and maintain drinking water and wastewater system infrastructure across the country. Additional information on the OIG management challenges and EPA's response is found in Section IV of this report.

Future

EPA's enclosed *FY 2008 Performance and Accountability Report* offers an opportunity to review past achievements and challenges and inform decisions on ways to adjust and strengthen program strategies. One of my stated priorities as Administrator has been to leave behind a stronger EPA. To this end, I have supported a continuing focus on improving the Agency's performance measures, strengthening scientific knowledge and capabilities, and bolstering the well-trained and talented Agency workforce. Despite our progress, the nation faces an array of complex challenges on energy, global climate change, and water resources issues. There also is a need to expand Agency capabilities to respond to multiple, simultaneous catastrophic events from both natural and human-induced forces.

Our nation's environmental results are significant, as demonstrated in the Agency's *FY 2008 Performance and Accountability Report*. EPA is on course to deliver a cleaner and healthier tomorrow, and it has been my privilege to guide this Agency toward that end.

Sincerely,

A handwritten signature in black ink, appearing to read 'S. Johnson', written in a cursive style.

Stephen L. Johnson