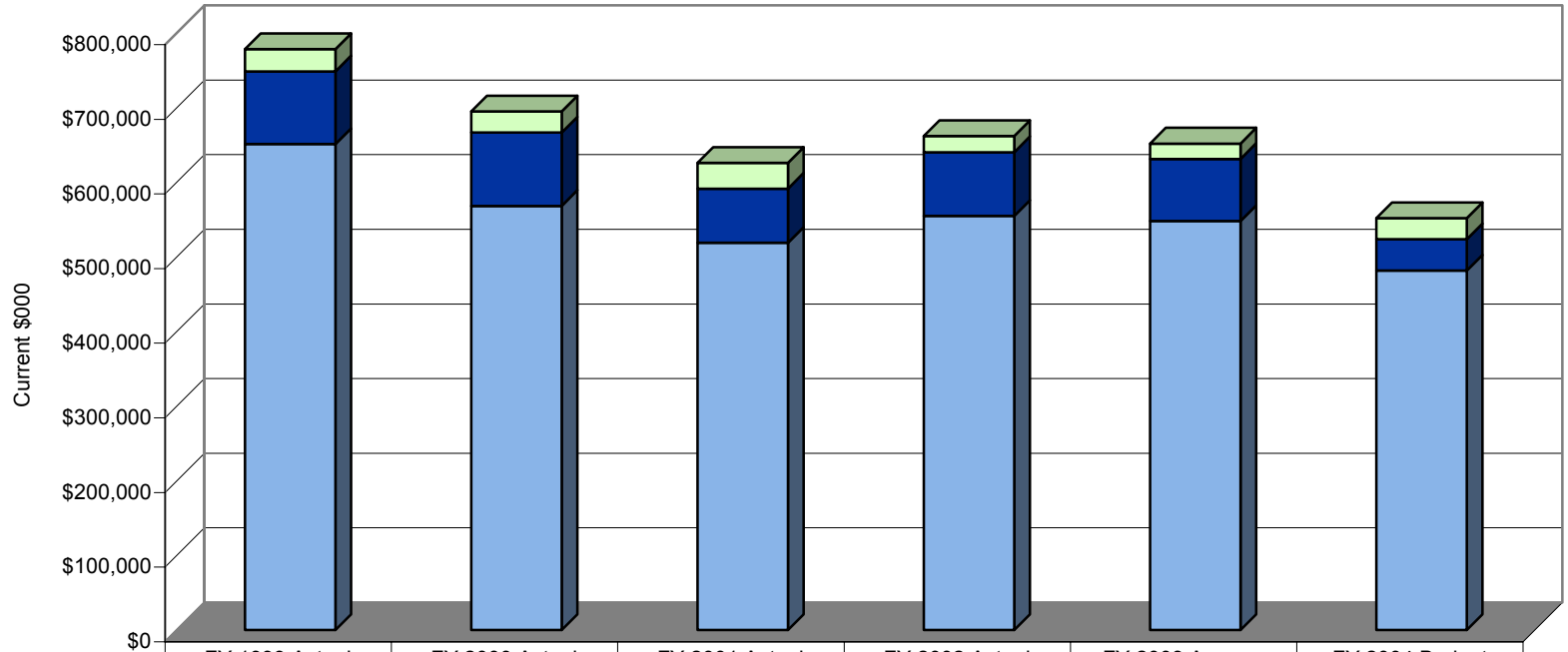
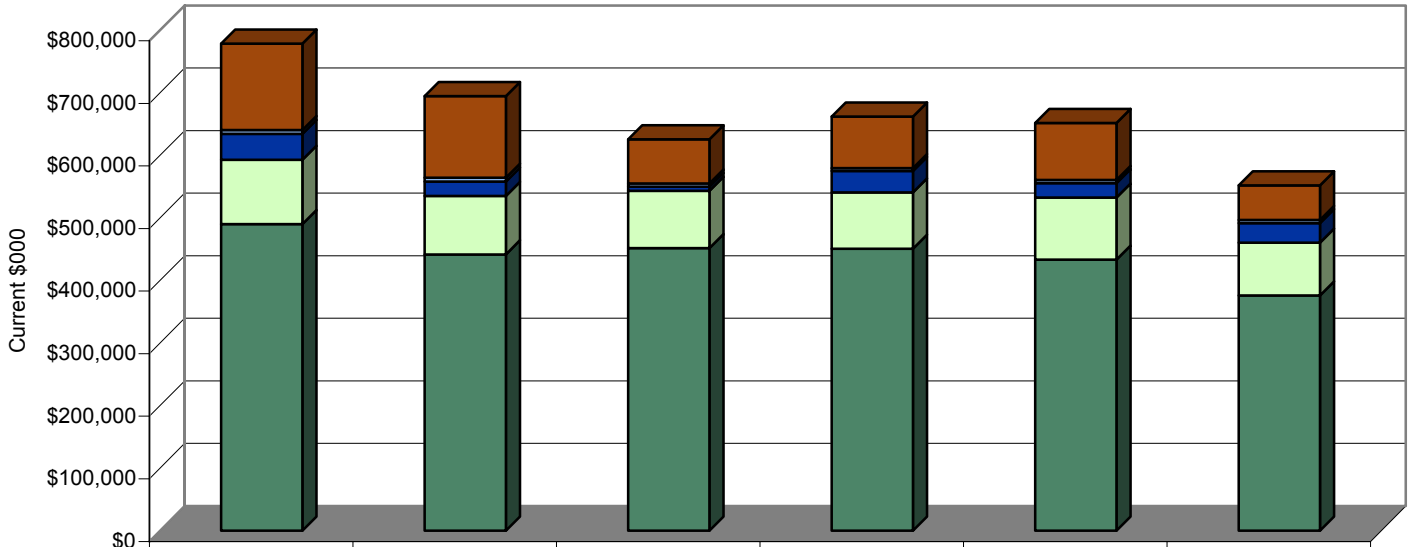
Figure 1
Department of the Navy Budget Summary
EQ Budget by Area



	FY 1999 Actual	FY 2000 Actual	FY 2001 Actual	FY 2002 Actual	FY 2003 Approp.	FY 2004 Budget
Conservation	$29,873	$28,318	$34,263	$21,523	$20,533	$28,288
Pollution Prevention	$97,388	$98,183	$72,429	$85,529	$83,369	$42,156
Compliance	$651,013	$568,225	$518,924	$554,587	$547,793	$481,398

EQ Budget by Area: After remaining relatively steady at about $620 to $650 million per year over the FY 2001 through FY 2003 period, the Department of the Navy's environmental quality program resumed a broad trend of reduced funding in the FY-2004 President's Budget. The FY 2004 environmental quality request of $552 million is 15 percent below the FY 2003 appropriated level of $652 million. Environmental compliance and pollution prevention funding trends reflect the need for fewer one-time projects to meet environmental standards, while conservation funding increased to meet the need for projects required to implement Integrated Natural Resources Management Plans. Even though overall funding declines, the Department of the Navy FY 2004 environmental quality budget provides sufficient funds to meet all known federal, state and local environmental quality standards and Presidential Executive Orders.

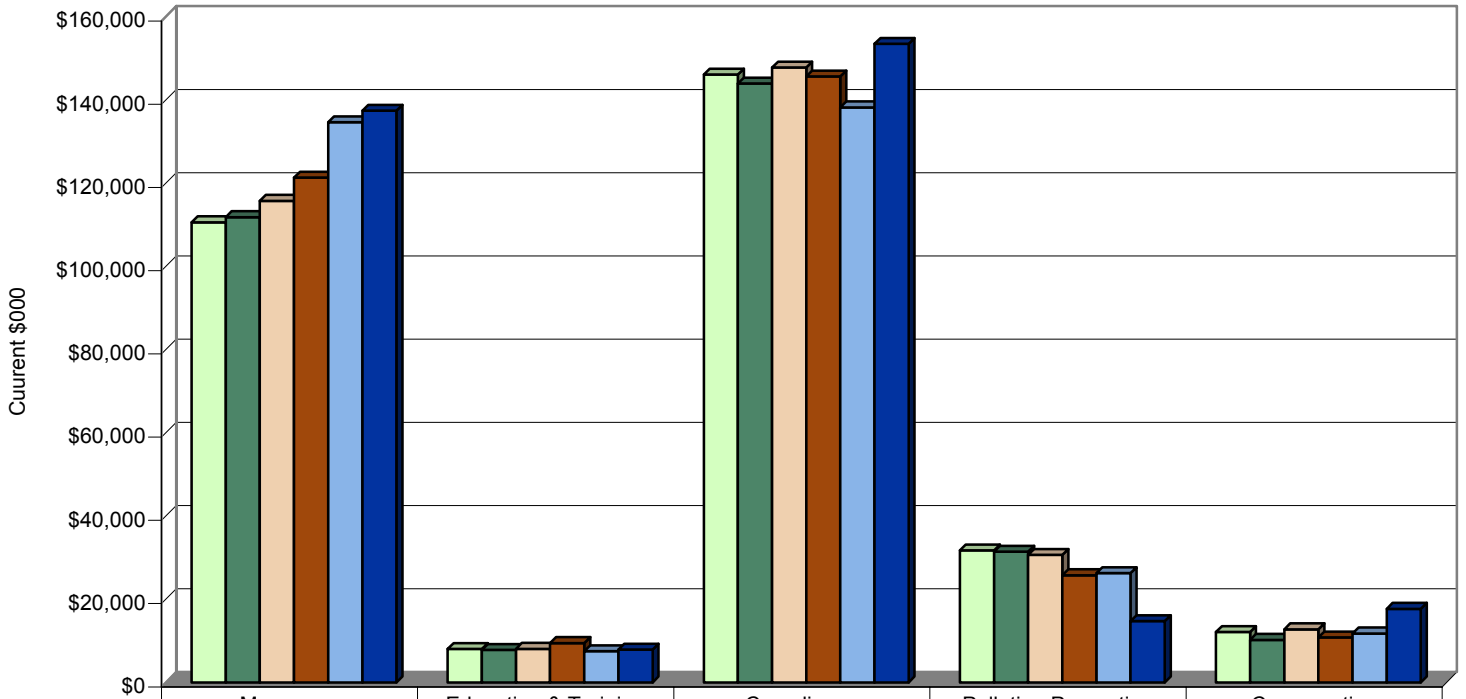
Figure 2
Department of the Navy Budget Summary
EQ Budget by Appropriation



	FY 1999 Actual	FY 2000 Actual	FY 2001 Actual	FY 2002 Actual	FY 2003 Approp.	FY 2004 Budget
PROC	$137,746	$130,528	$70,793	$82,341	$91,212	$55,399
RDT&E	$6,440	$6,393	$4,975	$4,564	$4,977	$4,740
MilCon	$41,211	$22,610	$6,600	$34,085	$23,206	$31,200
DWCF	$102,771	$93,484	$91,541	$90,214	$98,867	$84,362
O&M	$490,106	$441,711	$451,707	$450,435	$433,433	$376,141

EQ Budget by Appropriation: The decline in environmental quality funding is most evident in the procurement and O&M appropriations. The Other Procurement, Navy appropriation declined in FY 1999 through FY 2001 due to completing the procurement and installation of solid waste processing equipment aboard Navy surface ships, which were required under the Act to Prevent Pollution from Ships. The decline in FY 2004 is primarily due to completing procurement and installation of non-ozone depleting cooling and refrigeration equipment aboard Navy surface ships, which were required under the Clean Air Act. The decline in FY 2004 for Operations and Maintenance accounts is due to the completion of the ten-year cleanup of Kaho'olawe, a former Naval bombing range in Hawaii. The longer-term declines in Operations and Maintenance and the Defense Working Capital Fund is due to having fewer one-time projects that are required to attain compliance with environmental standards.

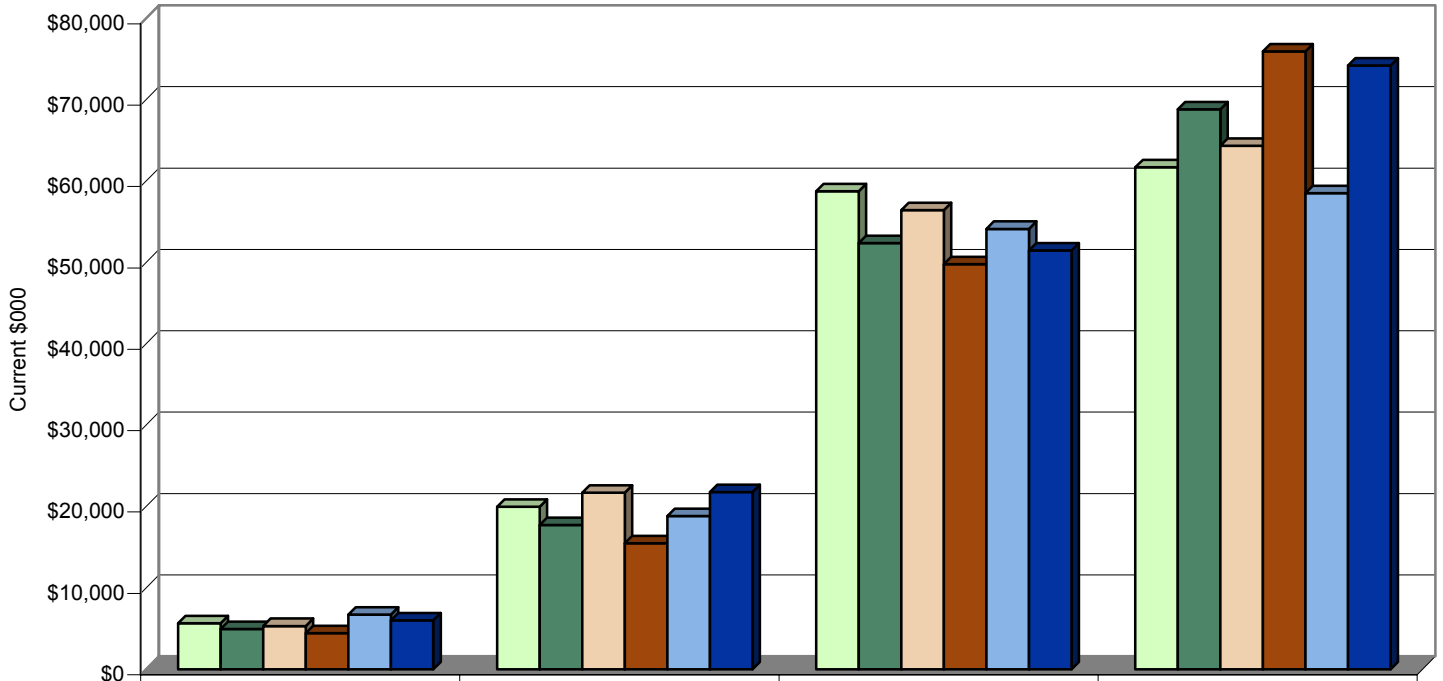
Figure 3
Department of the Navy Budget Summary
EQ Recurring Costs



	Manpower	Education & Training	Compliance	Pollution Prevention	Conservation
FY 1999 Actual	$110,582	$8,025	$146,050	$31,710	$12,097
FY 2000 Actual	$111,800	$7,795	$143,886	$31,399	$10,226
FY 2001 Actual	$115,730	$8,078	$147,744	$30,617	$12,755
FY 2002 Actual	$121,304	$9,453	$145,592	$25,753	$10,780
FY 2003 Approp.	$134,580	$7,487	$138,153	$26,243	$11,766
FY 2004 Budget	$137,367	$7,870	$153,447	$14,704	$17,662

EQ Recurring Costs: Recurring costs remain remarkably steady across the six-year time frame. The small growth is manpower costs is primarily due to higher salary costs for all federal employees. The decline in pollution prevention recurring costs is due to fewer opportunities for cost effective pollution prevention solutions.

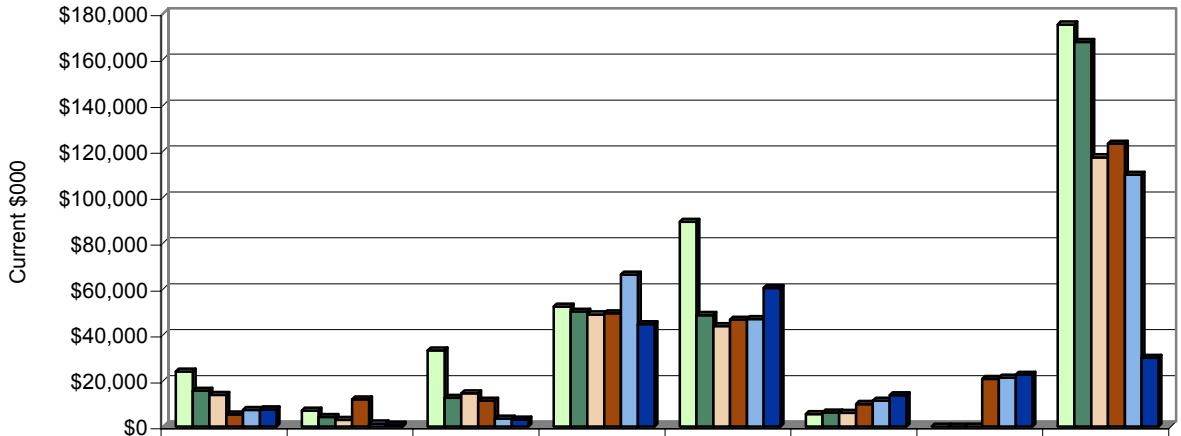
Figure 4
Department of the Navy Budget Summary
Compliance Recurring Costs



	Permits & Fees	Sampling, Analysis, Monitoring	Waste Disposal	Other Recurring Costs
FY 1999 Actual	$5,647	$19,952	$58,755	$61,696
FY 2000 Actual	$4,957	$17,731	$52,379	$68,819
FY 2001 Actual	$5,316	$21,696	$56,414	$64,318
FY 2002 Actual	$4,434	$15,463	$49,779	$75,916
FY 2003 Approp.	$6,710	$18,824	$54,119	$58,500
FY 2004 Budget	$5,994	$21,790	$51,469	$74,194

Compliance Recurring Costs: Recurring costs remain remarkable steady across the six-year time frame. Fluctuations in other recurring costs reflect cyclic data collection and reporting costs.

Figure 5
Department of the Navy Budget Summary
Compliance Nonrecurring Costs

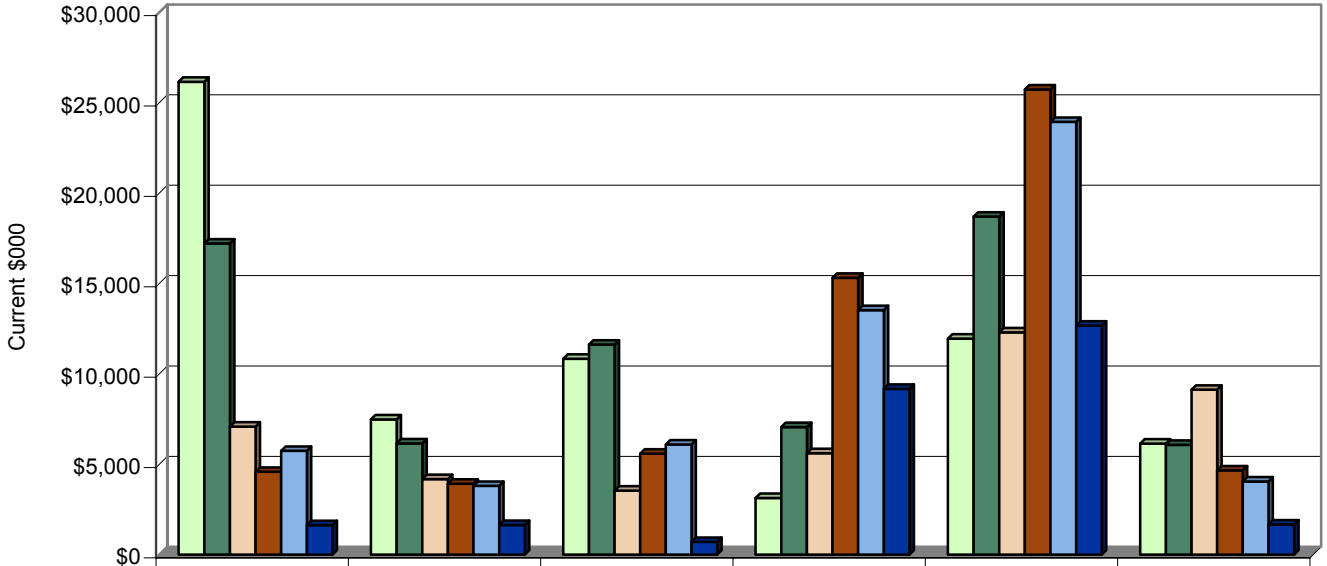


	Hazardous Waste	Solid Waste	UST	Clean Air Act	Clean Water Act	Planning	Safe Drinking Water Act*	Other
FY 1999 Actual	$23,998	$6,970	$33,205	$52,339	$89,184	$5,480	$0	$175,180
FY 2000 Actual	$15,593	$4,229	$12,538	$50,082	$48,597	$6,156	$0	$167,549
FY 2001 Actual	$13,840	$2,994	$14,474	$48,876	$43,798	$6,060	$0	$117,330
FY 2002 Actual	$5,329	$11,894	$11,275	$49,339	$46,553	$9,838	$20,775	$123,235
FY 2003 Approp.	$7,295	$1,336	$3,509	$66,210	$46,866	$11,336	$21,306	$109,715
FY 2004 Budget	$7,473	$889	$3,085	$44,651	$60,433	$13,618	$22,640	$29,925

*The Safe Drinking Water Act data were unavailable prior to FY 2002.

Compliance Nonrecurring Costs: The decline in hazardous waste projects reflect the success of Navy and Marine Corps activities to upgrade hazardous waste management facilities to meet regulatory standards, substitute non-hazardous materials, and to better manage the procurement, distribution, control, and disposal of necessary hazardous materials. The decline in solid waste disposal projects is due to the success in meeting state and local recycling and waste diversion standards. The decline in underground storage tank projects is due to attainment of standards, with remaining funds to meet tank closure monitoring needs. Planning costs have risen to National Environmental Policy Act analyses. The decline in the "Other" category is due to the conclusion of the cleanup of Kaho'olawe.

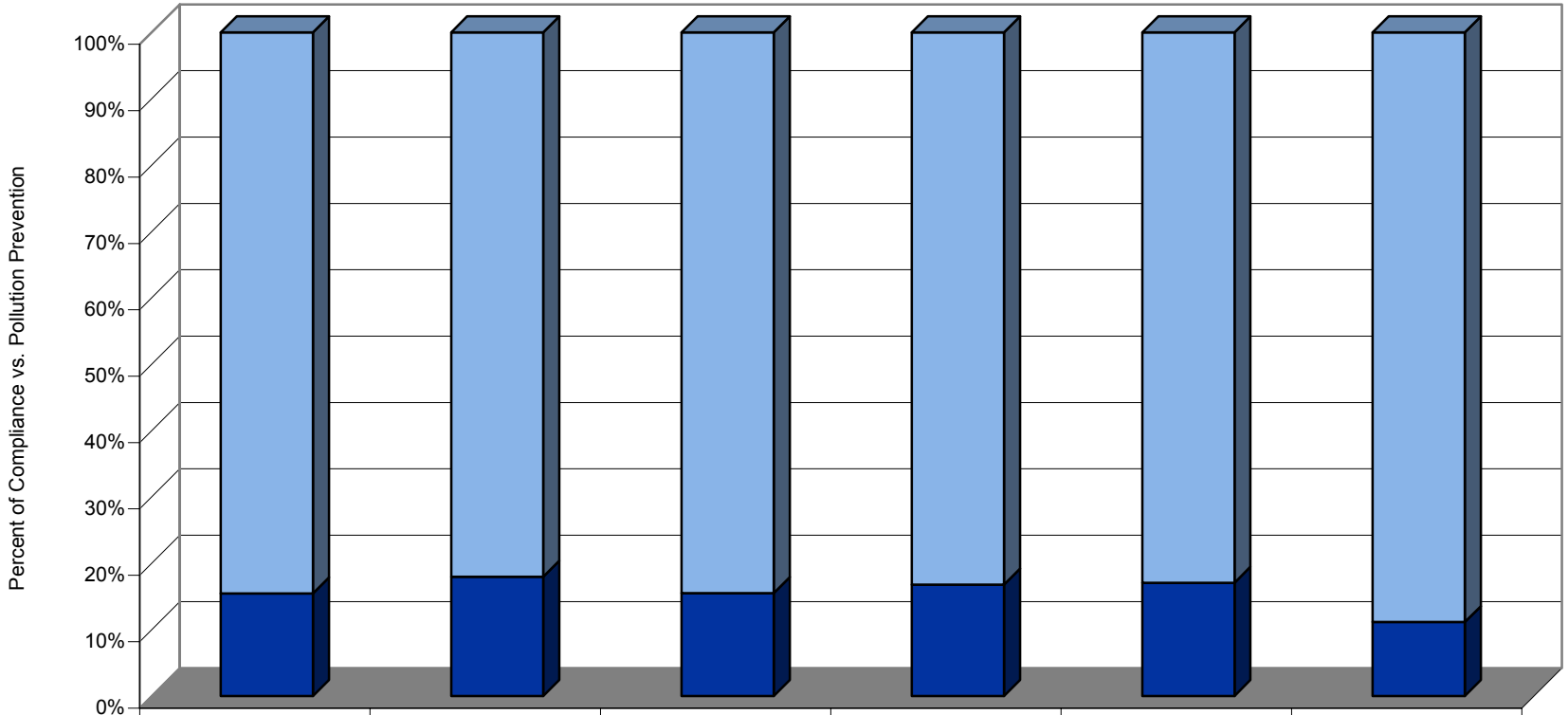
Figure 6
Department of the Navy Budget Summary
Pollution Prevention Nonrecurring Costs



	Hazardous Waste	Solid Waste	Clean Air Act	Clean Water Act	HAZMAT Reduction	Other
FY 1999 Actual	$26,152	$7,478	$10,828	$3,130	$11,950	$6,140
FY 2000 Actual	$17,209	$6,147	$11,615	$7,050	$18,696	$6,067
FY 2001 Actual	$7,080	$4,176	$3,540	$5,608	$12,289	$9,119
FY 2002 Actual	$4,579	$3,919	$5,585	$15,307	$25,729	$4,657
FY 2003 Approp.	$5,738	$3,799	$6,084	$13,526	$23,935	$4,044
FY 2004 Budget	$1,626	$1,633	$702	$9,168	$12,662	$1,661

Pollution Prevention Nonrecurring Costs: The decline in the pollution prevention funding in all categories is a result of having attained, and exceeded, the Executive Order 12856 requirement to reduce releases and off-site transfers of toxic chemicals by 50 percent. The most promising and cost beneficial one-time pollution prevention projects have been accomplished. The Department of the Navy is evaluating new opportunities to comply with Executive Order 13148, which calls for a further 40 percent decline by FY 2006.

Figure 7
Department of the Navy Budget Summary
Pollution Prevention vs. Compliance

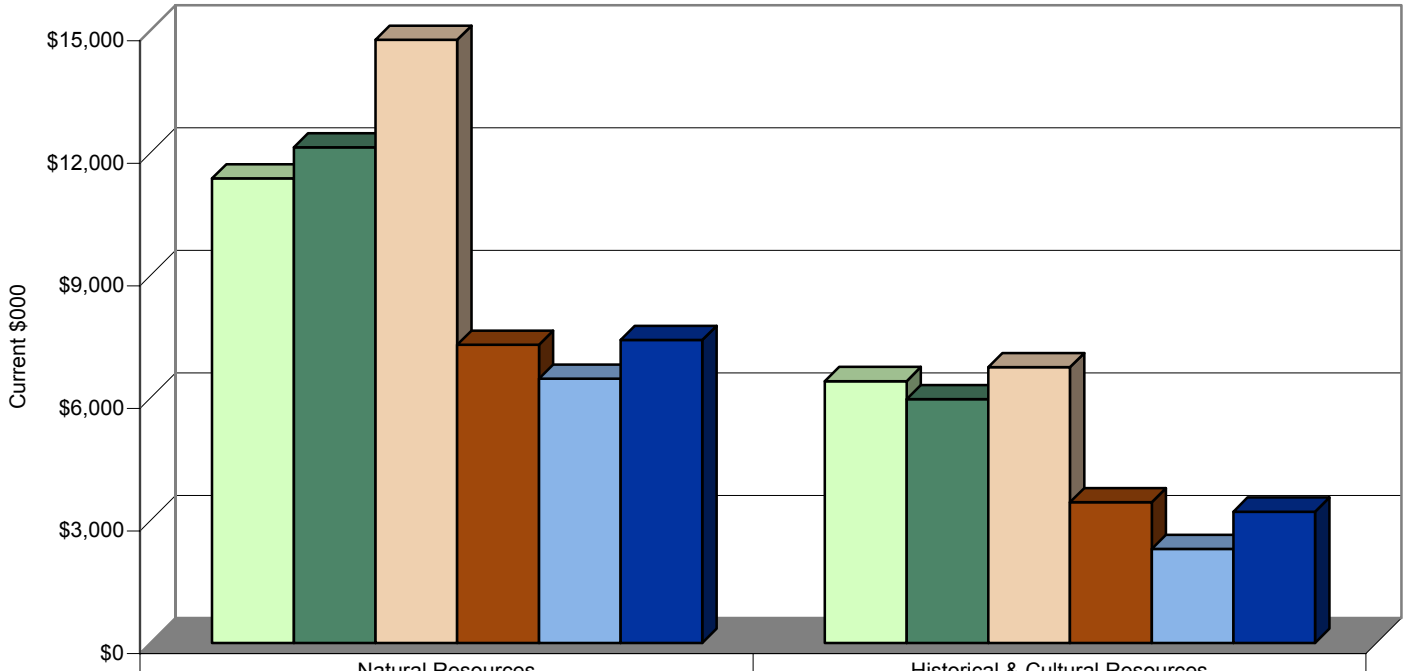


	FY 1999 Actual	FY 2000 Actual	FY 2001 Actual	FY 2002 Actual	FY 2003 Approp.	FY 2004 Budget
Compliance*	$532,406	$448,630	$395,116	$423,830	$405,726	$336,161
Pollution Prevention	$97,388	$98,183	$72,429	$85,529	$83,369	$42,156

* Compliance totals do not include Manpower and Education & Training.

Pollution Prevention vs. Compliance: Pollution prevention remains at about 20 percent of the total of compliance funds up through FY 2004, where it declines to 13 percent of the compliance funds. The relative decline in pollution prevention is due to the attainment of previous pollution prevention goals, and completion of the most promising and cost beneficial one-time pollution prevention projects.

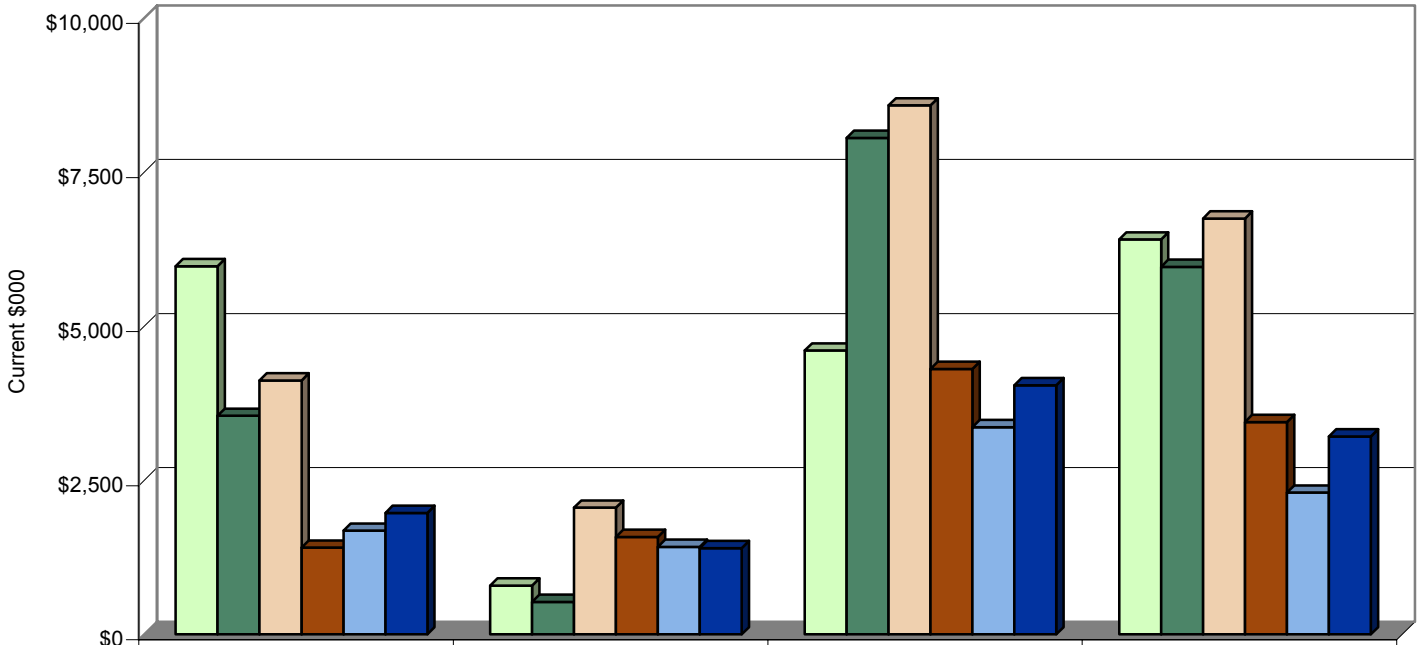
Figure 8
Department of the Navy Budget Summary
Natural Resources vs. Historical/Cultural Resources



	Natural Resources	Historical & Cultural Resources
FY 1999 Actual	$11,369	$6,407
FY 2000 Actual	$12,128	$5,964
FY 2001 Actual	$14,759	$6,749
FY 2002 Actual	$7,298	$3,445
FY 2003 Approp.	$6,466	$2,301
FY 2004 Budget	$7,414	$3,212

Natural Resources vs. Historical/Cultural Resources: One-time natural resource and cultural resource funds have declined proportionally since FY1999, with a greater emphasis on recurring costs, which have grown significantly to meet the requirements for INRMP implementation.

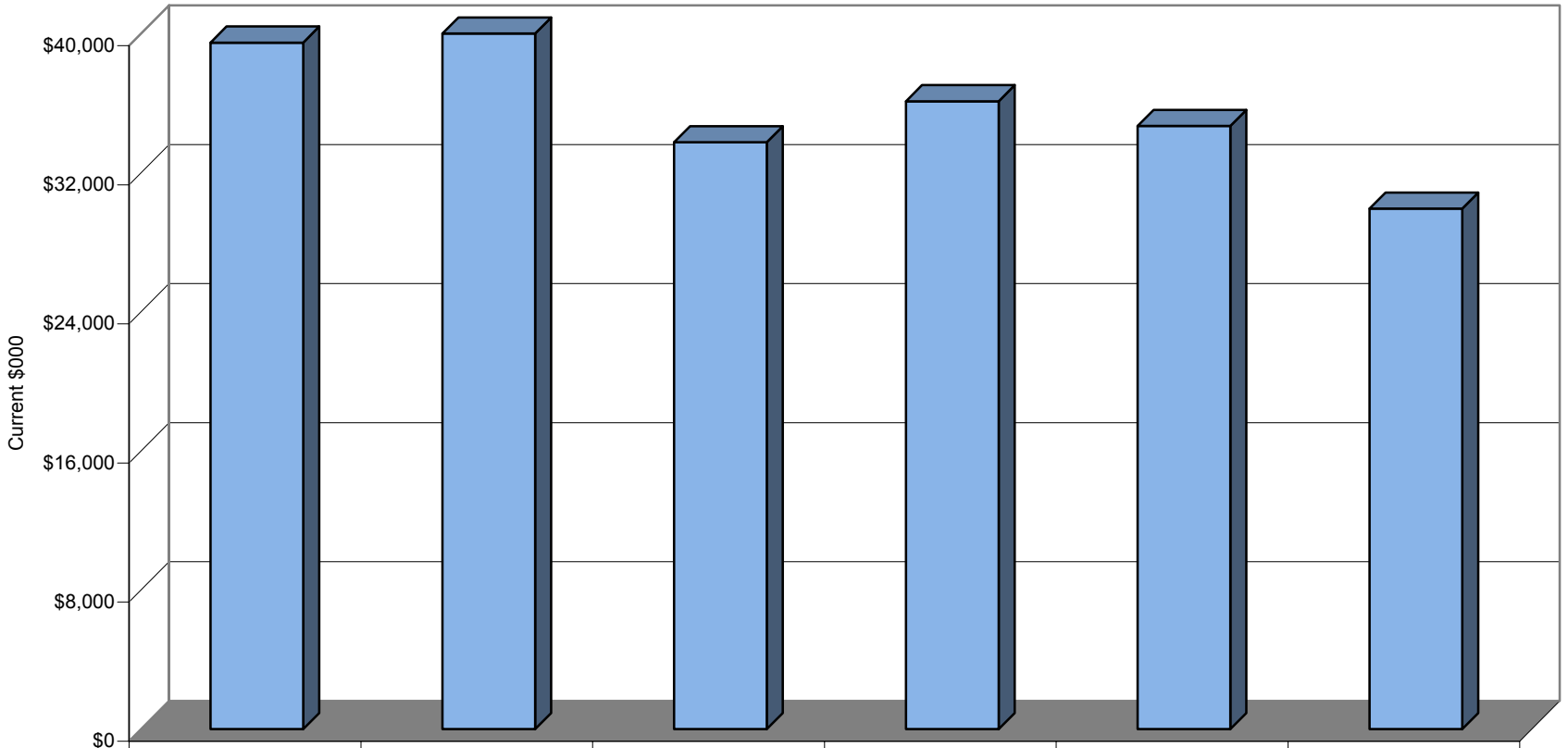
Figure 9
Department of the Navy Budget Summary
Natural Resource Investment by Category



	T&E Species	Wetlands	Other Natural Resources	Historical & Cultural Resources
FY 1999 Actual	$5,972	$792	$4,605	$6,407
FY 2000 Actual	$3,546	$527	$8,055	$5,964
FY 2001 Actual	$4,120	$2,057	$8,582	$6,749
FY 2002 Actual	$1,408	$1,582	$4,308	$3,445
FY 2003 Approp.	$1,682	$1,421	$3,363	$2,301
FY 2004 Budget	$1,970	$1,400	$4,044	$3,212

Natural Resource Investment by Category: The increases in Threatened and Endangered Species and Other Natural Resources are due to requirements to implement Integrated Natural Resource Management Plans (INRMPS). INRMP implementation is needed to comply with the Sikes Act Amendments and an alternative to designation of critical habitat on our bases and stations.

Figure 10
Department of the Navy Budget Summary
EQ Overseas Budget



	FY 1999 Actual	FY 2000 Actual	FY 2001 Actual	FY 2002 Actual	FY 2003 Approp.	FY 2004 Budget
EQ Overseas Budget	$39,484	$40,121	$33,746	$36,112	$34,691	$29,934

EQ Overseas Budget: The Department of the Navy has a relatively small presence overseas in comparison to the other military Services, with the major Navy presence in Italy, and the Marine Corps in Japan. Overseas funding requirements have declined consistent with declines in the U.S. The Department of the Navy budget includes sufficient funds to meet the DoD Final Governing Standards for environmental compliance, or the Host Nation Standards.