

3. PROTECTING THE ENVIRONMENT

None of our children should have to live near a toxic waste dump or eat food poisoned by pesticides. Our grandchildren should not have to live in a world stripped of its natural beauty. We can and we must protect the environment while advancing the prosperity of the American people and people throughout the world.

President Clinton
April 22, 1996

The President believes that the Nation does not have to choose between a strong economy and a clean environment. In fact, while the President's policies have contributed greatly to four years of strong economic growth with low inflation, they also have produced a cleaner, healthier environment.

The Administration has helped ensure that the air is cleaner for tens of millions of people. It has protected Yellowstone, one of our national treasures and our first national park, from the ravages of nearby mining. It also has cleaned up more toxic waste sites in its first three years than the previous two administrations did in 12 years. Meanwhile, American industry has continued reducing toxic emissions, which have fallen 43 percent in the last decade.

While Americans want a Government that helps protect the environment and our natural resources, they do not want to burden business unduly, choke innovation, or waste taxpayer dollars. The Administration has reinvented the regulatory process, cutting excessive regulation and targeting investments in programs that will have the biggest impact on improving the environment, protecting public health, providing more opportunities for outdoor recreation, and enhancing natural resources. The President's strategy for environmental protection is reflected in not just the creative approaches the Administration is pursuing, but in the priorities that the budget proposes to fund.

New Approaches for Environmental Success

Working with Congress on a bipartisan basis whenever possible, the Administration has pioneered ways to protect the environment that are cleaner, cheaper, and smarter, while preserving natural resources for current and future generations.

Reinventing Drinking Water Legislation:

In August 1996, the President signed the Safe Drinking Water Act Amendments, fulfilling the goals he outlined in 1993—to reinvent the Nation's safe drinking water legislation to better protect public health, and to authorize the creation of new Drinking Water State Revolving Funds (SRFs) to help hundreds of communities protect their citizens from harmful contaminants.

In several respects, the new law is a model for regulatory reform. It gives the Environmental Protection Agency (EPA) more flexibility to act on contaminants of greatest risk, and to analyze costs and benefits while maintaining public health as the paramount concern. It institutes a cost-effective, community-based approach for ensuring safe drinking water. Further, it affirms the right of all Americans to know the quality of their drinking water and the potential threats to its safety, and it authorizes resources to address Federal mandates under the law.

Reforming Food Quality Protection: Also in August, based on his proposal of 1993, the President signed legislation to revolutionize

the way our food supply is protected from harmful pesticides. The law overhauls the system that kept harmful pesticides on the market too long and safer alternatives off the market, and it will ensure that families have the safest possible food on the dinner table. Specifically, the law replaces conflicting and outdated pesticide residue standards with a single, health-based standard for all food. It provides incentives for swift approval of safe, new pesticide alternatives for farmers. And, it includes provisions to better protect children from pesticide risks.

“Greening” America’s Farm Programs:

The 1996 Farm Bill, which the President signed in April 1996, was the most conservation-oriented farm legislation ever enacted. It created five new mandatory conservation programs, including the Environmental Quality Incentives Program (EQIP) that consolidates four cost-sharing conservation programs into one and focuses cost-sharing and technical assistance on locally-identified conservation priority areas, and to areas where agricultural and natural resource management improvements will help meet water quality goals. The law provides \$200 million in 1998 (\$1.3 billion from 1996 to 2002) for EQIP, dedicating half of the funds to conservation associated with smaller livestock operations. It also authorizes the Wildlife Habitat Incentives Program to help landowners improve wildlife habitat on private lands.

Enhancing the National Park System:

Although the budget provides higher funding for parks, available resources can barely keep up with the system’s new responsibilities and with ongoing needs to maintain an aging infrastructure. Consequently, the National Park Service is using creative new approaches to manage the parks, enabling it to protect our natural and cultural treasures with limited resources.

The 1996 Omnibus Parks and Public Lands Management Act includes several examples of these creative approaches. It will, for instance, establish the Tallgrass Prairie National Preserve in Kansas as a partnership with a private group that owns most of the land—at far less cost than establishing a traditional park. Also, at the Presidio in San Francisco, a government corporation

will be able to lease and manage hundreds of unused buildings in a manner consistent with park purposes, but which reduces the burden on taxpayers. In addition, the budget supports other partnership arrangements by including funds, matched by non-Federal sources, to implement newly authorized non-Federal heritage areas and to restore historic structures at historically black colleges and universities.

Creating a New National Monument:

The budget provides funds for start-up activities at the Grand Staircase-Escalante National Monument, which the President created by proclamation in September 1996, in the pristine canyonlands of south-central Utah. The National Monument encompasses 1.7 million acres of public lands and will preserve for future generations hundreds of millions of years of geologic and cultural history. Over the next three years, the Bureau of Land Management will consult with State, local, and Tribal governments; the private sector; the public; and other Federal agencies in preparing a land use management plan for the Monument.

Reinventing Regulation: In March 1995, the President announced a comprehensive program to improve the regulatory system and move toward a better environmental management system for the 21st Century. One prominent element is Project XL (for Excellence and Leadership), which fulfills the President’s challenge to EPA and industry to make it easier for businesses to better protect the environment. This national pilot program enables a limited number of regulated entities to adopt alternative strategies to current regulations, as long as they produce superior environmental results.

For example, Intel’s new computer chip manufacturing plant in Chandler, Arizona—which recently signed a Project XL agreement with EPA—will adopt a five-year Environmental Management Plan that outlines specific steps to meet tough standards of superior environmental performance. The agreement will eliminate the red tape of the normal permit modification process, enabling Intel to quickly change its manufacturing operations and, in turn, better compete in its fast-paced industry.

Establishing Performance Partnerships:

In April 1996, Congress enacted the President's proposal for EPA Performance Partnership Grants, allowing States or Tribes to combine several categorical grants—each of which addresses only air, water, hazardous waste, or similar programs—into a multimedia environmental grant. Twenty States used this approach in 1996, and 24 States have expressed interest for 1997. As more States recognize the benefits, we expect most, if not all, to participate. The grants build on the National Environmental Performance Partnership System, which EPA established with the States in 1995 to give them more leeway to achieve environmental results and emphasize less-intensive EPA oversight for States that show strong performance. Six States participated in 1996 and 28 more have expressed interest for 1997.

Restoring the Everglades: The budget supports the continued Federal, State, local, and Tribal efforts to implement the restoration project for the South Florida ecosystem, which the Administration began in 1993 and which Congress authorized in the 1996 Water Resources Development Act. During 1999, the Army Corps of Engineers will complete the Central and Southern Florida Comprehensive Review Study, providing long-term direction for restoration efforts.

Along with improved water management, the budget recognizes the need for more science and for land acquisition to restore the Everglades' hydrologic functions. The Administration is re-proposing a four-year, \$100 million-a-year Everglades Restoration Fund to provide a steady source of funding, mainly for land acquisition. It is also re-proposing a one-cent per pound assessment on Florida-produced sugar to help finance the Fund. The budget proposes \$331 million, 163 percent more than Congress approved in 1997.

Making the Endangered Species Act Work: The Endangered Species Act (ESA) gives Federal, State, and local governments, and the private sector the flexibility to protect endangered species and conserve habitat, while allowing for development, by establishing Habitat Conservation Plans (HCPs). From 1983 to 1992, such parties created only 14 HCPs. But the Administration recognized that, to reduce conflict between the needs of con-

servation and development, it should more fully utilize HCPs. As a result, from 1993 to 1997, the number of HCPs issued or under development soared to 300—covering 8.4 million acres in the Pacific Northwest alone.

Creating Sustainable Fisheries: Last October, the President signed the Sustainable Fisheries Act, reinventing the way the Nation addresses the problems facing its commercial and recreational fisheries. The Act brings the Nation closer to achieving the vast long-term benefits of sustainable fisheries with new measures to prevent overfishing and to ensure that already depressed stocks are rebuilt to levels that produce maximum sustainable yields. The Act also establishes a new national standard to minimize the unintentional catch of non-target fish, and highlights the long-term importance of habitat to fish stocks by requiring fishery management plans to identify essential fish habitat.

Protecting the Northwest Forests: The President's Forest Plan—a balanced, science-based blueprint—is protecting natural resources and providing new economic opportunities in the Pacific Northwest. It represents the first region-wide application of ecosystem management on the part of Federal, State, and local agencies; Tribes; non-governmental organizations; and individuals. The Administration is offering sustainable volumes of timber sales, restoring thousands of acres of key habitat and watersheds, providing training and short-term jobs to displaced timber workers, spurring small business through grants and job training, and strengthening local economies. The Federal Government plans to spend \$369 million in the region in 1997 through the coordinated efforts of 12 Federal agencies, and the budget proposes to increase this level of support to \$408 million in 1998.

The recent expiration of the July 1995 timber “rider” to a 1995 spending bill restores public participation in the salvage timber program. As the timber program again faces the full range of environmental laws, the Administration will address the concerns that its 1996 Interagency Salvage Review Report identified. The budget modifies the use of the Forest Service Salvage Sale Fund, establishes a new Forest Ecosystem Management Fund, and provides more funding for wildlife

and fish management (especially sensitive species), watershed improvements, and monitoring.

Saving Yellowstone Park: To protect Yellowstone, the Federal Government last August agreed to exchange Federal land or other assets for Crown Butte, Inc.'s interest in the New World Mine. The development of the gold mine posed a severe environmental threat to Yellowstone's unique landscape and wildlife resources. The agreement protected Crown Butte's property rights while preserving one of the crown jewels of the National Park System. Following the exchange with the Federal Government, Crown Butte will dedicate \$22 million to clean up contamination at the site from earlier mining activities. The Administration is working to identify appropriate assets to execute the agreement, and to appraise their value in order to ensure a fair exchange.

Protecting Headwaters Forest: The Federal Government and California agreed in September 1996 to negotiate an exchange of land and other assets with a private company, enabling them to jointly acquire 7,500 acres, including the Headwaters Grove in northern California—the largest privately-owned grove of old-growth redwoods—to protect it from timber harvesting. The negotiations involve complex issues, including asset appraisals and the development of Habitat Conservation Plans for endangered species. The Administration believes that all parties are working in good faith to negotiate a fair and equitable exchange, and is fully committed to taking all necessary steps to reach a successful conclusion.

Providing a Fair Return for Taxpayers: The Administration proposes a five-percent royalty fee on the "net smelter return" from producing hardrock minerals on Federal lands. The royalties would go into a new reclamation fund to finance the restoration of abandoned mine sites on Federal lands. The budget also proposes to eliminate the percentage depletion tax allowance for non-fuel mineral rights acquired from the Federal Government for only nominal cost under the 1872 Mining Act. In addition, the budget would continue the moratorium on patenting hardrock mineral rights on Federal lands.

Environmental and Natural Resource Investments

The budget proposes to boost funding for high-priority environmental and natural resources programs to levels that would be 17 percent over those in place when the President took office (see Table 3-1).

Kalamazoo Initiative: The President announced a new national commitment last August to protect communities from toxic pollution by the year 2000, and the budget provides almost \$800 million in 1998 to help carry it out. The key components are:

- ***Accelerating Superfund Cleanups:*** The budget proposes \$2.1 billion for Superfund, including a \$650 million increase over 1997 to begin meeting the President's pledge to nearly double the pace of Superfund cleanups (see Chart 3-1). The Administration proposes to clean up another 500 sites in the next four years, meaning that about two-thirds of the Nation's worst toxic waste dumps would be cleaned up by the year 2000. To ensure available funding, the budget proposes to extend the Superfund taxes that have expired. The budget also funds the "orphan share" cleanup costs, which are attributable to insolvent parties.
- ***Expanding Brownfields Redevelopment Initiative:*** The budget proposes a major expansion of the President's brownfields initiative, which promotes local cleanup and redevelopment, by providing a \$75 million increase. First, the budget proposes that EPA receive a \$50 million increase, to nearly \$88 million, to expand grants to communities for site assessment and redevelopment planning, and to support revolving loan funds to finance brownfield cleanup efforts of contaminated and abandoned urban properties at the local level. Second, the budget proposes \$25 million in Department of Housing and Urban Development funding to leverage State, local, and private funds to redevelop the cleaned-up sites and create jobs. Also, the President again proposes a targeted tax incentive to spur the cleanup of brownfield sites.

Table 3-1. ENVIRONMENTAL/NATURAL RESOURCE INVESTMENTS AND OTHER HIGH-PRIORITY PROGRAMS

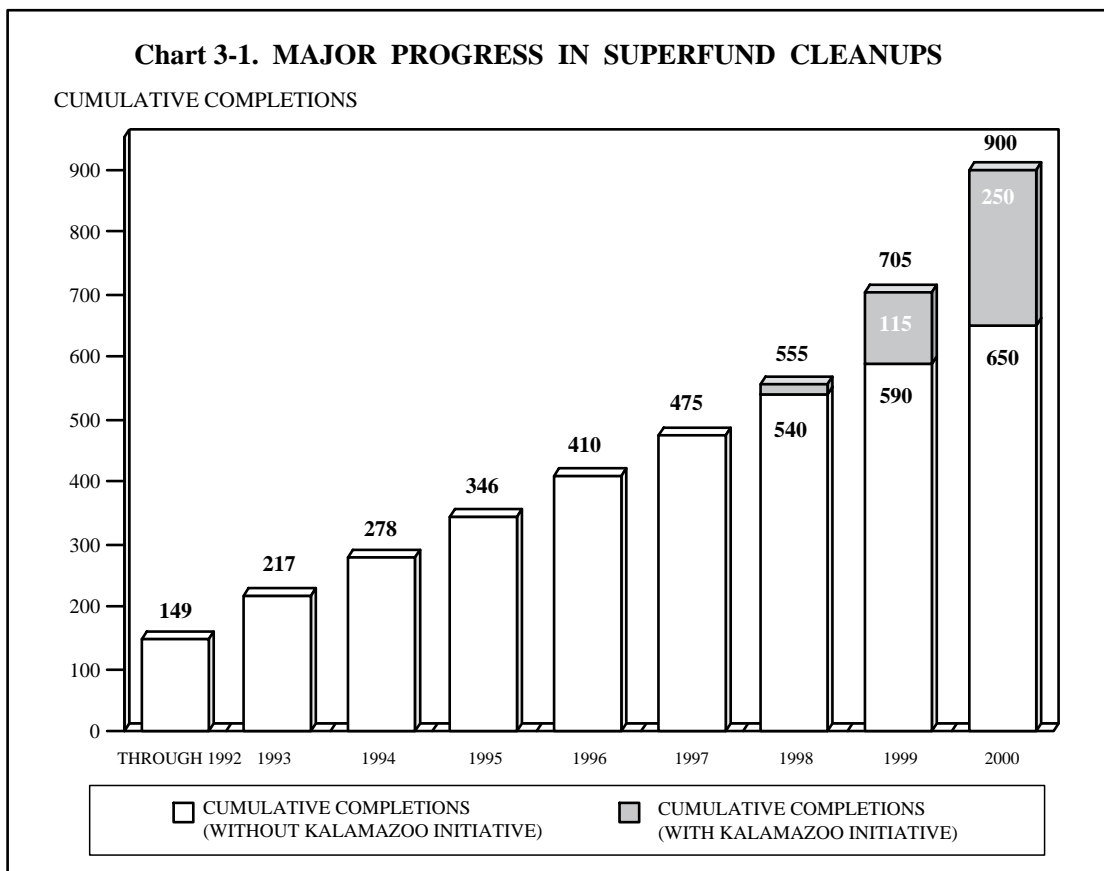
(Discretionary budget authority unless otherwise noted; dollar amounts in millions)

	1993 Actual	1997 Estimate	1998 Proposed	Percent Change: 1993 to 1997	Percent Change: 1997 to 1998
Environmental Protection Agency (EPA):					
Operating Program	2,767	3,109	3,402	+12%	+9%
State Revolving Funds (SRFs):					
Clean Water ¹	1,928	625	1,075	-68%	+72%
Drinking Water ¹	—	1,275	725	NA	-43%
Superfund	1,589	1,394	2,094	-12%	+50%
Other	639	396	349	-38%	-12%
Subtotal, EPA	6,923	6,799	7,645	-2%	+12%
Department of the Interior (DOI):					
National Park Service Operating Program	984	1,155	1,220	+17%	+6%
Bureau of Land Management Operating Program	638	673	688	+5%	+2%
Fish and Wildlife Service Operating Program	531	524	562	-1%	+7%
Subtotal, DOI (Select programs)	2,153	2,352	2,470	+9%	+5%
Department of Agriculture (USDA):					
Forest Service Operating Program	1,319	1,275	1,342	-3%	+5%
Investment Non-Operating Program (NW Forest Plan, infrastructure, other)	276	241	211	-13%	-12%
Rural Water and Wastewater ²	508	565	555	+11%	-2%
Wetlands	115	212	213	+84%	+*%
Environmental Quality Incentives Program (Mandatory)	—	200	200	NA	+*%
Wetlands Reserve Program (Mandatory)	—	128	176	NA	+38%
Conservation Reserve Program (Mandatory)	1,579	1,862	1,943	+18%	+4%
Subtotal, USDA (Select programs)	3,797	4,483	4,640	+18%	+4%
Land Acquisition: LWCF (DOI/USDA) and Everglades Restoration Fund (DOI)	286	149	301	-48%	+102%
Other Everglades Restoration (DOI, Corps, USDA, DOC, EPA)	70	114	196	+63%	+72%
Department of Energy (DOE):					
Energy Conservation and Efficiency	592	550	688	-7%	+25%
Solar and Renewable Energy R&D	257	270	330	+5%	+22%
Federal Facilities Cleanup (Environmental Management)	6,396	6,027	7,246	-6%	+20%
Subtotal, DOE (Select programs)	7,245	6,847	8,264	-5%	+21%
Department of Defense (DOD):					
Cleanup	1,604	2,043	2,114	+27%	+3%
Environmental Compliance/Pollution Prevention/Conservation	2,227	2,411	2,486	+8%	+3%
Environmental Technology	393	182	171	-54%	-6%
Subtotal, DOD (Select programs)	4,224	4,636	4,771	+10%	+3%
Department of Commerce (DOC)/National Oceanic and Atmospheric Administration (NOAA):					
Fisheries and Protected Species	232	297	313	+28%	+5%
Ocean and Coastal Management	121	128	154	+6%	+20%
Ocean and Atmospheric Research	138	222	223	+61%	+*%
Subtotal, DOC/NOAA (Select programs)	491	647	690	+32%	+7%
California Bay-Delta Ecosystem Rest. (DOI, DOC, EPA, Corps, USDA)	20	70	213	+250%	+204%
Pacific Northwest Forest Plan (USDA, DOI, EPA, DOC, DOL)	—	369	408	NA	+11%
Army Corps of Engineers Regulatory Program (wetlands)	86	101	112	+17%	+11%
Partnership for a New Generation of Vehicles (DOE, DOC, NSF, EPA, DOT)	—	263	281	NA	+7%
U.S. Global Change Research (NASA, DOE, NSF, DOC, others)	1,464	1,810	1,878	+24%	+4%
Climate Change Action Plan (EPA, DOE, USDA)	—	183	277	NA	+51%
GLOBE—Global Environmental Education (DOC, NASA, EPA, NSF)	—	13	15	NA	+15%
Montreal Protocol (State/EPA)	25	40	49	+60%	+23%
Global Environment Facility (Treasury)	—	35	100	NA	+186%
Multilateral and Bilateral Assistance (Funds Appropriated to the President/AID)	272	264	314	-3%	+19%
Border Environmental Activities (State/Treasury)	30	83	88	+177%	+6%
Total³	25,295	26,334	29,485	+4%	+12%

¹ Reflects a one time transfer of clean water funds to drinking water in 1997.² Excludes funding for Rural Community Advancement Program grants to States; 1998 funding would be nine percent higher otherwise.³ Total adjusted to eliminate double counts and mandatory spending.

NA = Not applicable.

*Less than 0.5 percent.



- *Improving Americans' Right to Know About Toxics:* The budget proposes \$49 million to expand the information that people can get about toxic threats to their families—without imposing more reporting requirements on anyone. It would make the information available for the 75 largest metropolitan areas in the country through a comprehensive monitoring system, with computer links to schools, libraries, and home computers.

EPA Operating Program: The budget proposes \$3.4 billion, a nine-percent increase over 1997, for EPA's operating program, which includes most of EPA's research, regulatory, partnership grants (with States and Tribes), and enforcement programs. The program represents the backbone of the Nation's efforts to protect public health through standard setting, enforcement, and other means, ensuring that our water is pure, our air clean, and our food safe.

Within the operating program, the budget proposes important increases to carry out recently-enacted legislation to protect drinking water and food quality. It proposes significant investments to assess the health risks to children, identify new ways to apply advanced technology to environmental needs, and provide urban areas with tools to develop community-based solutions to environmental issues. It also maintains a strong environmental enforcement program to ensure that polluters find an environmental cop on the beat, and fully funds EPA's part of the Climate Change Action Plan.

Water Quality Infrastructure: The budget proposes \$725 million in capitalization grants for the new Drinking Water State Revolving Funds (SRFs), which make low-interest loans to municipalities to help them meet the requirements of the new Safe Drinking Water Act Amendments. These funds will help ensure that Americans have a safe, clean drinking

water supply—our first line of defense in protecting public health.

EPA also proposes \$1.1 billion in capitalization grants to Clean Water SRFs to help municipalities comply with the Clean Water Act, thus helping to reduce beach closures and keeping our waterways safe and clean. In addition, the budget proposes targeted wastewater funds for areas facing unique circumstances—\$100 million for Boston Harbor, \$150 million for Mexican border projects, and \$15 million for Alaskan Native villages. The Administration will request a final \$100 million of special Federal assistance for Boston Harbor for 1999—provided EPA finds that the project still requires the funds.

Department of Agriculture (USDA) Water 2000: The budget proposes to continue funding the USDA's Water 2000 initiative—to bring safe drinking water to 2.5 million rural Americans with some of the Nation's most serious problems of water availability, dependability, and quality—within its \$1.3 billion for rural water and wastewater loans and grants. In addition, the budget proposes to fund, through the Rural Community Advancement Program (RCAP), rural development grants that States can use to meet their particular rural development needs. With proposed RCAP funding eight percent above the 1997 levels, the Administration expects to fund 227 new water treatment systems in 1998.

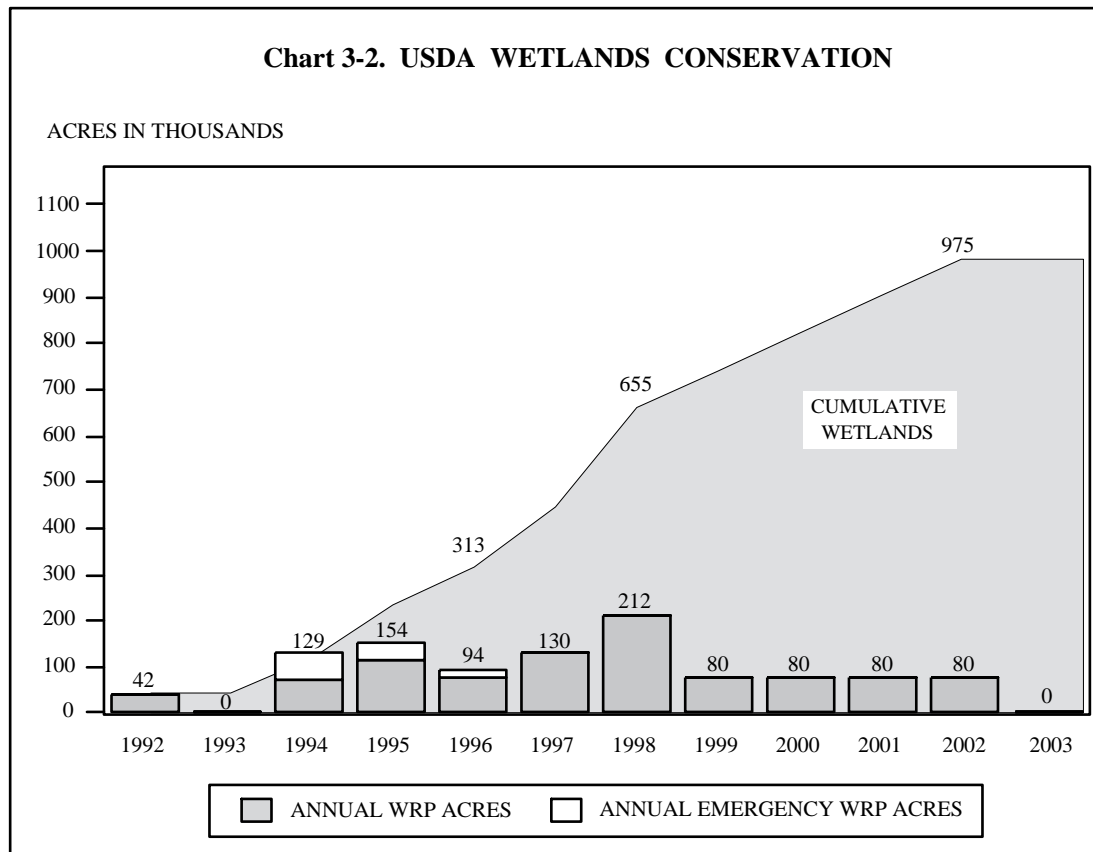
California Bay-Delta Ecosystem Restoration: In December 1994, Federal and California officials signed the historic Bay-Delta Accord, calling for a comprehensive series of steps to restore and protect the San Francisco Bay and the Sacramento-San Joaquin Delta ecosystem while strengthening the State's long-term economic health. With Administration support, Congress then adopted the California Bay-Delta Environmental Enhancement and Water Security Act in 1996 to authorize more Federal spending for restoration activities in the ecosystem. Later that year, California voters approved a \$995 million bond issue to cover State cost-sharing for past and future Bay-Delta restoration and other water-related activities. The budget proposes \$213 million for Bay-Delta ecosystem restoration activities, a 204-percent increase over 1997. As it did for 1998, the Administration plans to request

the fully authorized amount under the 1996 law for 1999 and 2000.

Wetlands Reserve Program (WRP): The WRP is a voluntary USDA program in which willing sellers receive the fair market value to permanently retire wetland acres from farm production. Under the 1996 Farm Bill, WRP will use permanent easements on one-third of the acres enrolled, 30-year easements on another third, and cost-sharing agreements on the remaining third. In this last category, landowners will agree to restore wetlands on cropland without an easement, receiving only cost-sharing assistance. For 1998, the budget proposes to enroll 212,000 acres, an increase of 82,000 acres over 1997, bringing cumulative WRP enrollment to over 655,000 acres by the end of 1998. Retiring cropland through the WRP will directly benefit the recovery of threatened or endangered species, almost 35 percent of which depend on wetlands (see Chart 3-2).

Conservation Reserve Program (CRP): The CRP pays producers to temporarily retire from production environmentally sensitive lands. Producers sign 10-year CRP contracts and agree to convert their enrolled acres to approved conservation uses, receiving rental payments in return. After the contracts expire, producers can return lands back to production. The 1996 Farm Bill enables USDA to maintain a 36-million-acre CRP, or roughly the current CRP level. Contracts on about 21 million acres will expire in 1997 and USDA will hold a sign-up to begin to replace them in early spring 1997. Through new program rules, the Administration will seek to enroll land with the highest environmental benefits and release from the CRP less erodible land that is better suited for production. CRP's benefits have been significant—after falling by 35 to 50 percent in the 1970s and 1980s, wild-duck populations bounced back with a 12-percent increase in the mid-1990s.

National Parks: The budget proposes over \$1.2 billion for park operations and maintenance, six percent more than in 1997. This level would maintain current services at existing parks and support commitments for new parks and responsibilities under the 1996 Omnibus Parks and Public Lands Management Act. Budgeted funds alone, however, cannot



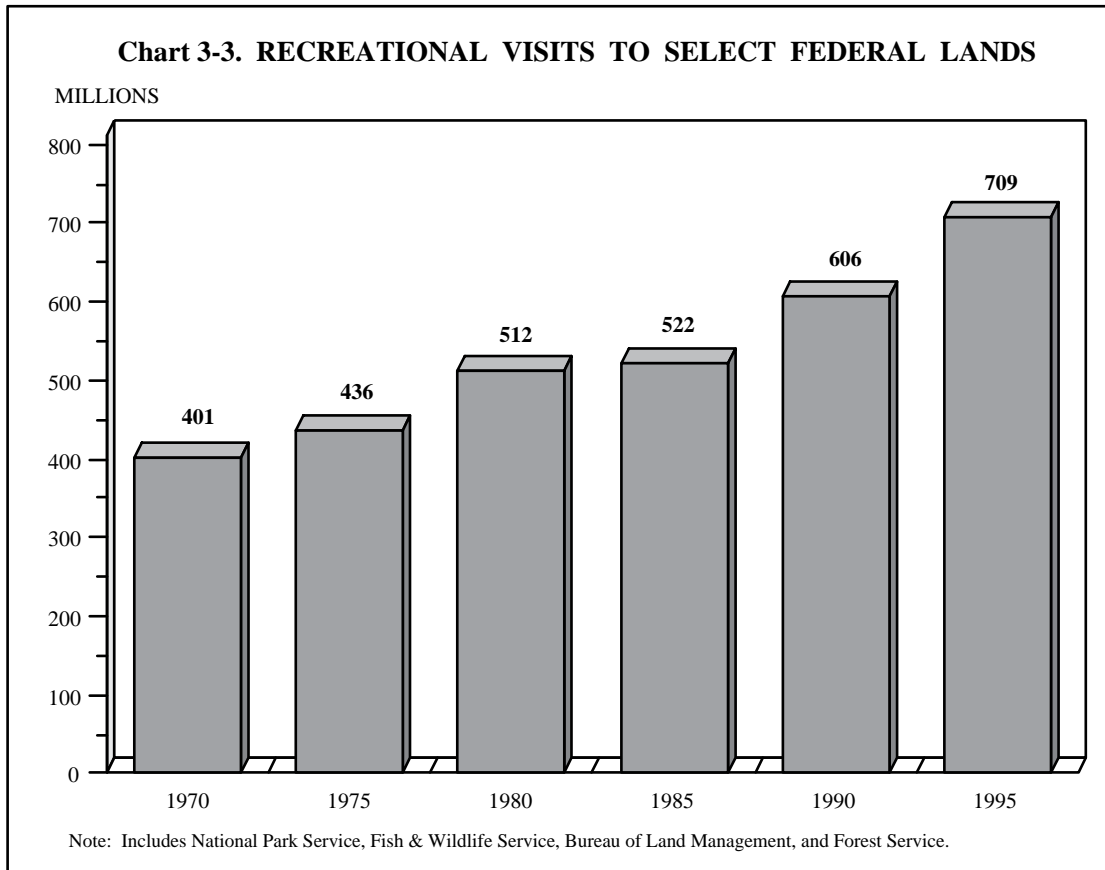
meet the growing demand for recreational and visitor services, as illustrated in Chart 3-3.

Consequently, the Administration is using its temporary demonstration fee authority to finance facility and resource management improvements. Not only do user fees raise funds for repairs and improvements that enhance the visitor experience, they give parks an incentive to please their customers by improving their facilities and operations. The Administration will seek permanent fee authority and legislation to reform park concessions—to increase competition between companies that want to conduct business in the parks, and to give parks an added incentive to negotiate higher returns from concessioners by allowing the National Park Service to keep all new receipts.

Salmon Recovery: Salmon runs throughout the Pacific Northwest are a major part of the region's ecosystem and economy. Salmon runs that originate in the Columbia/Snake River

have declined so much that the Commerce Department's National Marine Fisheries Service lists three runs as endangered. The Administration has supported a regional bipartisan effort to help restore the runs, including a stable, multi-year contribution from the Bonneville Power Administration's (BPA) customers because BPA's hydro-power operation has helped to foster the decline. The Administration is carrying out an agreement with congressional and regional interests under which BPA customers would pay, on average, up to \$435 million a year for salmon recovery.

The budget also provides funds to fully implement the 1992 Elwha River Ecosystem and Fisheries Restoration Act. The Elwha River, a major waterway within Olympic National Park in Washington State, holds tremendous potential for restoring abundant salmon runs. The budget provides \$25 million in funding for 1998—enough to complete acquisition of the river's two dams and perform planning and design activities associated with



their removal—and seeks future-year funding at levels that would complete dam removal and river restoration.

Multilateral and Bilateral Environmental Assistance: The budget proposes \$314 million, 19 percent more than in 1997, for bilateral and multilateral environment assistance. Bilateral assistance includes Agency for International Development activities to address climate change, biodiversity, and sustainable agriculture in developing countries. Multilateral assistance funds U.S. voluntary contributions to the U.N. environment system and other international organizations to address various international environmental activities.

Global Environment Facility (GEF): U.S. participation in the GEF is a cornerstone of U.S. foreign policy on the environment. The GEF has become the world's leading institution for protecting the global environment and avoiding economic disruption from climate

change, massive extinction of valuable species, and dramatic collapse of the oceans' fish population. The \$100 million budget proposal would meet the 1998 portion of the U.S. pledge to the GEF's four-year (1995–1998) funding program, and doing so is vital to maintaining U.S. leadership of the program.

Energy Efficiency and Renewable Energy: The budget proposes \$688 million for energy conservation and efficiency programs, and \$330 million for solar and renewable energy programs, increases of 25 percent and 22 percent, respectively. These Energy Department (DOE) programs reduce greenhouse gases and other pollutants by increasing energy efficiency and expanding the use of non-fossil-based energy sources. The energy conservation programs include both near-term efforts to demonstrate and promote the best available technologies, and longer-term efforts to develop breakthrough technologies and products. A prominent example of the latter is the Partnership for a New Generation of Vehicles, a joint

government-industry effort to develop cars with triple the fuel economy of today's models. The solar and renewable energy research and development activities include substantial support for reducing the costs of photovoltaics, wind energy, and biofuels.

Federal Facilities Cleanup and Compliance: The Federal Government continues to face an enormous challenge in cleaning up Federal facilities contaminated with radioactive or hazardous waste. DOE faces the most complex and costly problems from over 40 years of research, production, and testing of nuclear weapons. The Defense Department's (DOD) problems include hazardous wastes similar to those found at industrial and commercial sites.

The budget proposes over \$7.2 billion for DOE's Environmental Management program, 20 percent more than in 1997, including over \$1 billion to implement a privatization strategy to cut costs and speed cleanup and waste disposal. In 1998, DOE will acceler-

ate the Formerly Used Sites Remedial Actions Program (FUSRAP), which is cleaning up private properties contaminated during the weapons production process in order to allow their speedier return to productive use. By the end of 1998, DOE will complete cleanup at 28 of 46 FUSRAP sites and 44 of 86 other DOE sites and facilities.

DOD, which operates one of the Nation's most diverse and successful environmental programs, is focusing its cleanup efforts on reducing relative risk at its active and closing installations. It is conducting studies or cleanups at 15,240 sites on 770 military installations and 2,641 formerly-used properties. Moreover, it has determined that 10,970 other sites require no further action. DOD also is making real progress in its compliance/pollution prevention, conservation, and environmental technology programs. The budget proposes over \$4.7 billion for all DOD environmental activities, three percent more than in 1997.