



ENVIRONMENTAL PROTECTION AGENCY

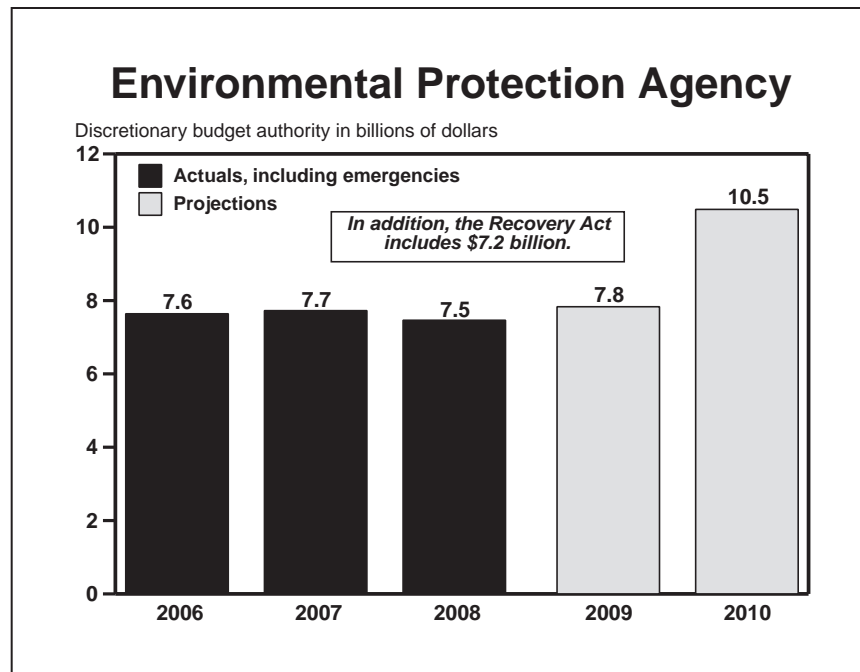
Funding Highlights:

- Provides \$10.5 billion in total for the Environmental Protection Agency, a 34-percent increase over the 2009 likely enacted level.
- Provides \$3.9 billion for the Clean Water and Drinking Water State Revolving Funds, an unprecedented Federal commitment to water infrastructure investment in the United States.
- Provides \$475 million for a new Environmental Protection Agency-led, interagency Great Lakes restoration initiative, which will target the most significant problems in the region, including invasive aquatic species, non-point source pollution, and contaminated sediment.
- Funds the Agency's operating budget, which comprises its core regulatory, research, and enforcement activities, at \$3.9 billion, the highest level ever.
- Provides over \$1.1 billion in grants for States and Tribes to administer environmental programs.

The Environmental Protection Agency (EPA) is responsible for the abatement and control of pollution, which involves the proper integration of research, monitoring, standard setting, and enforcement. The 2010 Budget requests a substantial increase over the budget requests of the last eight years—\$10.5 billion, a 34-percent increase over the 2009 likely enacted budget. This includes \$3.9 billion for EPA's operating budget, which is the heart of EPA's environmental protection function and includes funds for research, regulation, and enforcement. EPA's budget also provides State program implementation grants, capitalization grants to State revolving funds to help municipalities pay for the cost of pollution controls, and the clean up of contaminated sites.

Invests in Clean Water. The 2010 Budget requests \$3.9 billion for the Clean Water State Revolving Fund and the Drinking Water State Revolving Fund (SRFs). With this

historic increase, the program will fund over 1,000 Clean Water and nearly 700 Drinking Water projects annually in the Nation's States, Tribes, and territories, based on average project costs. The SRF programs provide grants to States to capitalize their own revolving funds, which finance wastewater and drinking water treatment systems. The SRFs use the Federal capitalization, State matches (20 percent), State leveraging, interest, and loan repayments to make low-interest loans to communities. Because repayments and interest are recycled back into the program, SRFs generate funding for loans (revolve) even without Federal capitalization. EPA estimates that for every Federal dollar invested, at least two dollars in financing is provided to municipalities. In conjunction with the dramatic increase in Federal funding for local water infrastructure needs, the Administration will pursue program reforms that will put resources for these ongoing needs on a firmer foundation. EPA will



work with State and local partners to develop a sustainability policy including management and pricing for future infrastructure funded through SRFs to encourage conservation and to provide adequate long-term funding for future capital needs. The 2010 Budget also proposes to work with State and local governments to address Federal drinking water policy in order to provide equitable consideration of small system customers.

Accelerates the Restoration of the Great Lakes. The 2010 Budget includes a new \$475 million inter-agency initiative to address regional issues that affect the Great Lakes, such as invasive species, non-point source pollution, and contaminated sediment. This initiative will use outcome-oriented performance goals and measures to target the most significant problems and track progress in addressing them. EPA and its Federal partners will coordinate State, tribal, local, and industry actions to protect, maintain, and restore the chemical, biological, and physical integrity of the Great Lakes.

Begins a Comprehensive Approach to Transform Our Energy Supply and Slow Global Warming. The Administration is de-

veloping a comprehensive energy and climate change plan to invest in clean energy, end our addiction to oil, address the global climate crisis, and create new American jobs that cannot be outsourced. After enactment of the Budget, the Administration will work expeditiously with key stakeholders and Congress to develop an economy-wide emissions reduction program to reduce greenhouse gas emissions approximately 14 percent below 2005 levels by 2020, and approximately 83 percent below 2005 levels by 2050. This program will be implemented through a cap-and-trade system, a policy approach that dramatically reduced acid rain at much lower costs than the traditional Government regulations and mandates of the past. Through a 100 percent auction to ensure that the biggest polluters do not enjoy windfall profits, this program will fund vital investments in a clean energy future totaling \$150 billion over 10 years, starting in fiscal year 2012. The balance of the auction revenues will be returned to the people, especially vulnerable families, communities, and businesses to help the transition to a clean energy economy. The Budget includes a \$19 million increase for EPA work on a Greenhouse Gas (GHG) emission inventory and to work with affected industry sectors to report high-quality GHG emission data. This will also

allow for work on the necessary steps toward implementing a comprehensive climate bill.

Secures the Nation's Water Supply. The 2010 Budget provides \$24 million to fully fund all five Water Security Initiative (WSI) pilot cooperative agreements and Water Alliance for Threat Reduction activities begun in response to the Bioterrorism Act of 2002. EPA launched its WSI in 2006 to demonstrate, test, and evaluate a design for a contamination warning system at drinking water utilities. Following

completion of these pilots, EPA will issue guidance and promote adoption of effective drinking water contamination warning systems.

Strengthens Superfund. The 2010 Budget proposes to reinstate excise taxes that expired in 1995 and will collect over \$1 billion to clean up the Nation's most toxic, contaminated sites within the Superfund program. The reinstated taxes will not begin until 2011 after the economy recovers.