



## ENVIRONMENTAL PROTECTION AGENCY

### Funding Highlights:

- Provides \$9 billion, a decrease of \$1.3 billion. Funding is maintained for core priorities, such as State and tribal categorical grants and enforcement of environment and public health protections. In order to achieve savings in a fiscally-constrained time, decreases are made to the State Revolving Funds, the Great Lakes Restoration Initiative, and the clean diesel grant program.
- Supports the 2012 implementation of a historic national program to reduce greenhouse gases and improve fuel economy for cars and trucks. This action is projected to save 1.8 billion barrels of oil and reduce U.S. greenhouse gas emissions from the light-duty vehicle fleet by about 21 percent by 2030 over the level that would occur in the absence of the national program.
- Stimulates economic growth in areas stymied by brownfields by providing technical assistance and maintaining an area-wide planning program to integrate sustainable community development with environmental remediation activities.
- Reduces funding for the Great Lakes Restoration Initiative by \$125 million below the previous enacted level, which will allow for continued ecosystem restoration efforts while exercising fiscal restraint.
- Reduces funding for State Revolving Funds by \$950 million, which will still enable States and Tribes to initiate approximately 600 clean water and 400 drinking water projects nationally, and provide a four year investment of almost \$17 billion for water infrastructure.
- Provides enforcement funding to increase compliance inspections at high-risk facilities and enhance monitoring and reporting capabilities, building on successful collaboration with State and tribal partners.
- Enables States and Tribes to implement their environmental programs with \$1.2 billion in funding, an increase of \$85 million.
- Promotes chemical safety by increasing the Agency's pace in developing hazard assessments for highly produced industrial chemicals, and improving information management and transparency.

The Environmental Protection Agency's (EPA) mission is to protect human health and safeguard the natural environment. The President's 2012 Budget includes \$9 billion to continue to deliver on this mission, a decrease of \$1.3 billion. Funding is maintained for core priorities, such as State

and tribal categorical grants and the agency's core operating budget, which includes enforcement of environment and public health protections. Because of the constrained fiscal environment, the Budget decreases the State Revolving Funds (SRFs) by nearly \$950 million while supporting a long-term goal of providing about 5 percent of total water infrastructure spending and spurring more efficient system-wide planning. The Budget also reduces the Great Lakes Restoration Initiative by \$125 million, eliminates about \$160 million in targeted water infrastructure earmarks, and terminates the \$80 million clean diesel grant program.

### ***Prepares the United States to be a Global Leader in the Clean Energy Economy***

**Supports Efforts to Mitigate Climate Change and the Transition to a Clean Energy Economy.** The President has called on the Congress to enact forward-looking energy legislation that would spur U.S. development of advanced, clean energy technologies to reduce the Nation's dependence on oil, strengthen energy and national security, create new jobs, and restore America's position as a global leader in efforts to mitigate climate change and address its consequences. The Administration continues to support greenhouse gas emissions reductions in the United States in the range of 17 percent below 2005 levels by 2020 and 83 percent by 2050.

**Reduces Greenhouse Gas (GHG) Emissions and Boosts Fuel Economy.** EPA will continue to collaborate with Federal and State agencies as well as regulated sources of GHG emissions to seek cost-effective emissions reductions strategies. Beginning with model year 2012, EPA will begin to implement a historic national program to reduce GHGs and improve fuel economy for cars and trucks, projected to save 1.8 billion barrels of oil and reduce U.S. GHG emissions by 960 million metric tons over the lifetime of vehicles sold during 2012 through 2016. The Agency will also develop a framework for setting GHG standards for light-duty vehicles of model

years 2017 and beyond, helping to produce a new generation of clean vehicles and providing sufficient lead time to vehicle manufacturers. The Administration proposes \$25 million for State grants to implement permitting programs tailored to GHG emissions. Additionally, EPA will continue to develop regulatory strategies to control GHG emissions from major stationary sources. The Administration also maintains funding levels for partnership and voluntary programs like Energy Star, which help conserve energy and bring down utility bills.

### ***Revitalizes Ecosystems and Communities***

**Works to Restore the Gulf Coast Ecosystem.** The Administration is committed to restoring and protecting the Gulf Coast ecosystem following the BP Deepwater Horizon oil spill and is working with the Gulf States through the Natural Resource Damage Assessment and Restoration process to restore the area's natural resources to pre-spill conditions. A portion of civil penalties obtained from parties responsible for the oil spill, if approved by the Congress to be dedicated to the Gulf Coast restoration, will be an important resource for funding additional critical ecosystem activities, and a key component of the Administration's response to the environmental, economic, and health needs of the region. The President established a Gulf Coast Ecosystem Restoration Task Force by Executive Order that includes Federal and State members. As Chair of the Gulf Coast Ecosystem Restoration Task Force, the EPA Administrator will lead environmental recovery efforts in the region.

**Supports Restoration of the Chesapeake Bay.** Funding for Chesapeake Bay restoration is increased to support Bay watershed States as they implement their plans to reduce nutrient and sediment pollution in an unprecedented effort to restore this economically important ecosystem. EPA and Federal partners will continue to coordinate with States, Tribes, municipalities, and industry to restore the integrity of imperiled waters of the United States.

**Promotes Economic Growth with Funding for Brownfields Technical Assistance and Projects Grants.** Brownfields are lightly contaminated sites—many in economically hard-hit areas—where the presence or potential presence of contamination may keep these sites from being used productively. The President’s Budget provides the Brownfields program with funding for technical assistance to local communities and grants for sustainable development.

### ***Improves the Way Federal Dollars Are Spent and Programs Work***

**Continues to Fund Great Lakes Restoration Initiative at Lower Levels.** The Administration proposes reducing funding for the Great Lakes Restoration Initiative to \$350 million, \$125 million less than the previous enacted level, which will allow for continued ecosystem restoration efforts while exercising fiscal restraint. This EPA-led interagency effort to restore the Great Lakes focuses on priority environmental issues such as contaminated sediments and toxics, non-point source pollution, habitat degradation and loss, and invasive species.

**Reduces Funding for State Revolving Funds (SRFs) While Spurring Efficiency and Reform.** As part of the Administration’s long-term strategy, EPA is implementing a Sustainable Water Infrastructure Policy that focuses on working with States and communities to enhance technical, managerial, and financial capacity. Important to the technical capacity will be enhancing alternatives analysis to expand “green infrastructure” options and their multiple benefits. Future year budgets for the SRFs gradually adjust, taking into account repayments, through 2016 with the goal of providing, on average, about 5 percent of water infrastructure spending annually. When coupled with increasing repayments from loans made in past years by States the annual funding will allow the SRFs to finance a significant percentage in clean water and drinking water infrastructure. Federal dollars provided through the SRFs will act as a catalyst for efficient system-wide planning and ongoing management of sustainable water infrastructure. Over-

all, the Administration requests a combined \$2.5 billion for the SRFs.

**Coordinates Federal Water Policy.** The Administration’s water policy goals include protecting and restoring our water resources to ensure clean and safe water supplies and healthy ecosystems. Federal agencies must work together and with State and local governments, Tribes, industry, and the agriculture sector to achieve goals. This outreach and cooperation enables Federal agencies to better identify gaps in information or resources, incorporate stakeholder input, reduce barriers to effective action, and eliminate redundancies. These efforts have directly fed into numerous actions the Administration has taken to improve national water policy, including:

- Coordinating EPA, U.S. Department of Agriculture (USDA), State, and local efforts in the Chesapeake Bay watershed to reduce nutrient pollution and restore water quality in the nation’s largest estuary;
- Targeting USDA conservation funding within large-scale regional ecosystems and other high-priority impaired watersheds to achieve the greatest environmental outcomes;
- Supporting and continuing efforts to assess the effects and measure the environmental outcomes of agriculture conservation programs;
- Developing a national framework of reliable, unbiased and current data on freshwater resources;
- Initiating an EPA rulemaking to reduce stormwater discharges from new development and redevelopment and generally strengthen its stormwater program to improve community water quality;
- Coordinating the actions of EPA, the Department of the Interior, and the Army Corps of Engineers to better address impacts of surface coal mining on aquatic resources;
- Revising the principles and guidelines for water resources projects, the first update to the policy in over 25 years, to support best practices and projects based on science and consideration of environmental benefits;

- Promoting and funding non-structural and environmentally restorative water projects;
- Increasing investment in water infrastructure to provide clean and safe water to local communities that encourages innovative green technologies, takes into account climate change impacts, and emphasizes sustainability; and
- Developing a national environmental market infrastructure, supporting regional market innovation, and fostering collaboration around market-based conservation within USDA and across the Federal Government.

**Targets Enforcement and Compliance More Effectively.** The Administration proposes \$621 million, a \$24 million increase for enforcement and compliance assurance activities, allowing the Agency to strengthen its monitoring of emissions in the field and enhance its ability to detect violations that impact public health and to collect, analyze, and disseminate compliance information to the public. This Budget also expands the use of electronic reporting to improve the timeliness and accuracy of environmental compliance data. Electronic reporting will reduce reporting burdens, increase transparency, and enable integration of multiple data sets, enhancing our ability to monitor compliance and focus our resources most efficiently. In 2012, EPA will expand its efforts to convert existing paper based regulatory reporting requirements to an electronic format, leveraging private sector capabilities to facilitate reporting. The Agency will also invest in advanced monitoring tools, such as portable emission detectors and thermal imaging cameras to increase the ability of field personnel to identify violations and their sources. Additional funds are provided to increase the frequency of compliance inspections at oil and chemical facilities. Enforcement continues to be a collaborative effort with State and tribal partners.

### ***Protects Americans' Health and Safety***

**Ensures Clean Air and Water for American Families.** In the 40 years since the passage of the landmark Clean Air Act, the law has brought trillions of dollars in estimated benefits—outweighing costs by more than a factor of 25 to 1. Those benefits come in the form of lower mortality for seniors and other vulnerable populations, lower rates of childhood asthma and other illnesses for our kids, and healthier ecosystems. The Administration remains committed to implementing the laws that ensure clean air and water for all Americans. At the same time, it is crucial that regulations be as flexible and cost-effective as possible.

**Assists State and Tribal Implementation of Environmental Programs.** The Administration proposes \$1.2 billion for grants to support State and tribal efforts to implement their environmental programs. The President's Budget proposes \$306 million in State grant funding for air programs, well above historical levels due to additional responsibilities associated with achieving more stringent air quality standards. The Budget includes \$115 million for grant programs specifically targeted at Tribes and tribal consortia, including a \$71 million request for the Tribal General Assistance Program and a \$20 million request for tribal multimedia grants to help implement environmental programs on tribal lands.

**Protects American Families from Hazardous Chemicals.** The Administration supports efforts to address unreasonable risks posed by industrial chemicals, and the Budget proposes \$71 million for chemical assessment and risk review. This includes \$16 million in new funding to support additional chemical hazard assessments and strengthen chemical information management. The Budget also maintains funding levels for activities that further national efforts to eliminate childhood lead poisoning and mitigate exposures to high-risk legacy chemicals such as mercury and asbestos.

## Environmental Protection Agency

(In millions of dollars)

	Actual 2010	Estimate	
		2011	2012
<b>Spending</b>			
Discretionary Budget Authority:			
Operating Budget <sup>1</sup> .....	3,931		3,814
State and Tribal Categorical Grants .....	1,116		1,201
Clean Water State Revolving Fund .....	2,100		1,550
Drinking Water State Revolving Fund .....	1,387		990
Brownfields Assessment and Cleanup .....	100		99
Clean Diesel Grants .....	80		—
Targeted Water Infrastructure .....	187		20
<i>Requested (non-add)</i> .....	30		20
<i>Unrequested (non-add)</i> .....	157		—
Superfund .....	1,307		1,236
Leaking Underground Storage Tanks .....	113		112
Cancellation of unobligated balances .....	-40		-50
Total, Discretionary budget authority .....	10,281	10,020	8,973
<i>Memorandum:</i>			
<i>Budget authority from supplementals</i> .....	2	—	—
<i>American Recovery and Reinvestment Act rescission</i> <sup>2</sup> .....	-26	—	—
Total, Discretionary outlays .....	11,101	11,246	10,190
Mandatory Outlays:			
Agency-wide			
Existing law .....	-94	-146	-155
Legislative proposals, Pesticide and Premanufacture Notice user fees .....	—	—	-49
Total, Mandatory outlays .....	-94	-146	-204
Total, Outlays .....	11,007	11,100	9,986

<sup>1</sup> Includes funding for the Great Lakes Restoration Initiative.<sup>2</sup> ARRA rescission in 2010 includes \$10 million from the Operating Budget, \$7 million from Superfund, and \$9 million from Leaking Underground Storage Tanks.