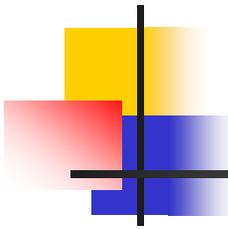


U.S. Environmental Protection Agency

FY 2007 President's Budget

Prepared for the Science Advisory Board March 2-3, 2006 Public Meeting



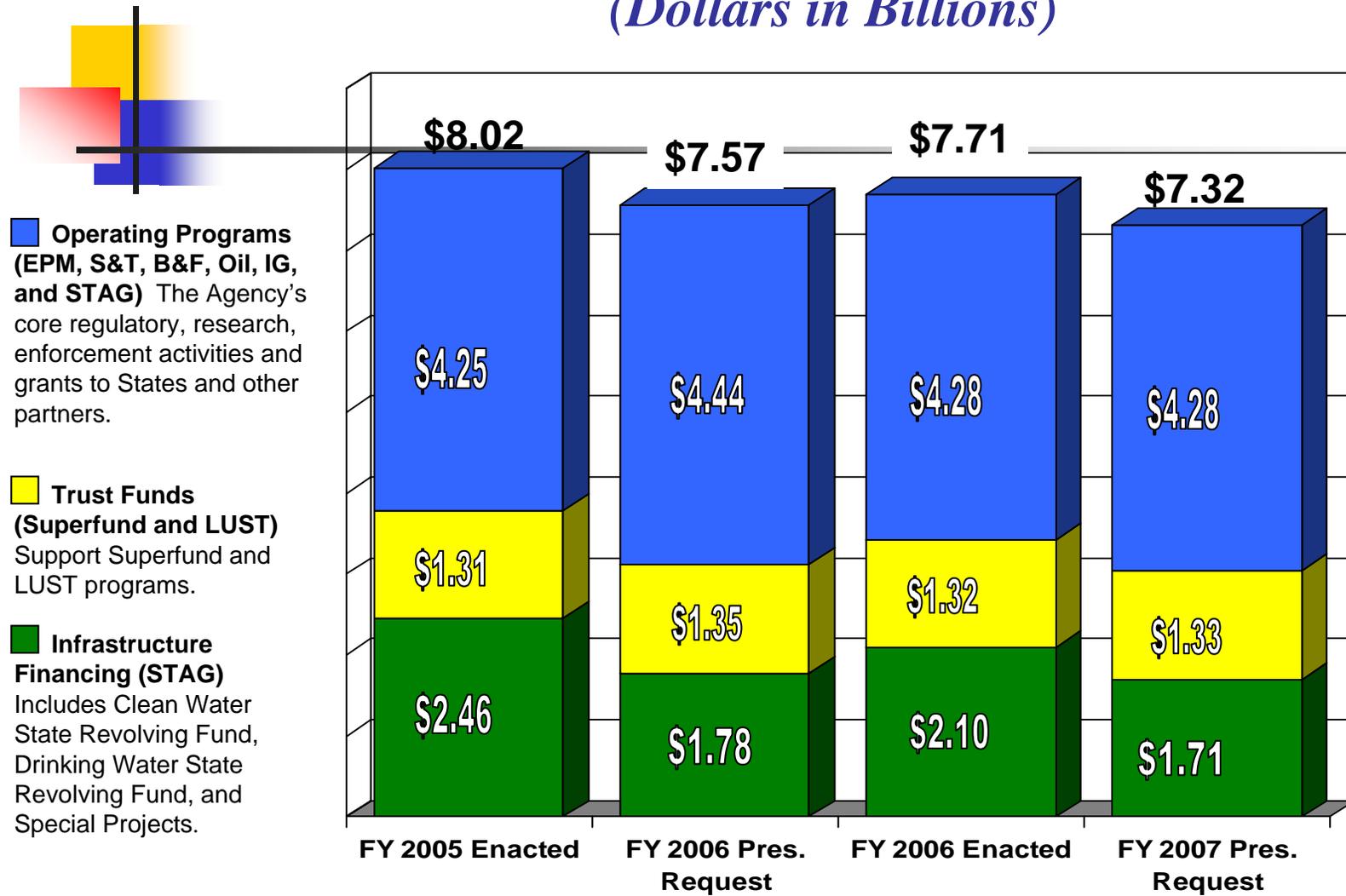


FY 2007 President's Budget Request

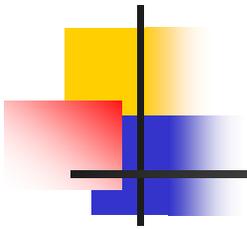
- EPA's FY 2007 Budget reflects President's commitment to providing critical resources needed for Nation's highest priorities: fighting War on Terror, strengthening our homeland defenses, and sustaining the momentum of our economic recovery.
- EPA continues to provide funding that supports innovation and collaboration, promotes economic competitiveness, ensures the best available science, and a focus on Homeland Security.

EPA Resources by Major Category

(Dollars in Billions)



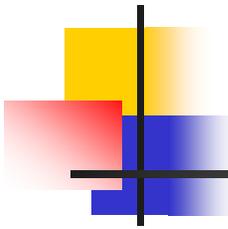
Note: Totals may not add due to rounding.



Budget Request Highlights

FY 2007 Request

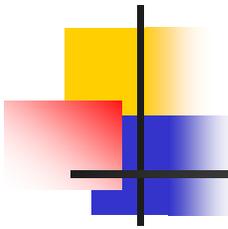
- Homeland Security
- Energy Act
- Regional Geographic Programs (Great Lakes and the Chesapeake Bay)
- State Revolving funds
- Water Infrastructure



Budget Request Highlights

Homeland Security – The FY 2007 Presidents Budget requests \$184 M, \$55 M more than FY 2006 enacted levels. Priorities include an increase of:

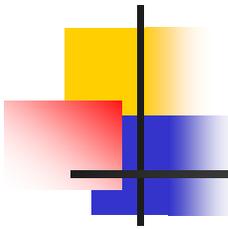
- \$33 M for improved Water Security, including additional Water Sentinel pilots. (S&T)
- \$10 M to develop Environmental Laboratory Preparedness and Response (ELPR) capability to expedite decontamination and threat assessment through a laboratory network, includes standardizing methods & measurements and connectivity between member labs. (SF)
- \$10.0 M to provide for Environmental Decontamination, including related R&D. (S&T, EPM, SF)



Budget Request Highlights

EPA Energy Act: Supports new priorities as outlined in the for Energy Policy Act of 2005:

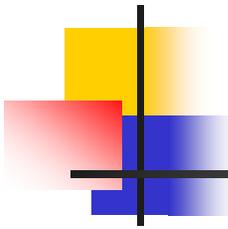
- \$50 M for the new Diesel Emission Reduction Grant Program, to support cleaner fuels, and diesel engine retrofits, rebuilds & replacements. (STAG)
- \$38 M in UST funding, \$26 M over FY 2006 enacted levels, to prevent future releases from USTs. (STAG)
- \$11 M for the development and implementation of renewable fuel standards. (EPM)



Budget Request Highlights

Regional Geographic Programs – Reflects EPA's collaborative efforts to protect and sustain our environment:

- Great Lakes– Requesting \$70 M, an increase of \$20 M over FY 2006 enacted budget levels. Includes \$50 M for the Great Lakes Legacy Act to accelerate clean up of contaminated sediments. (EPM)
- Chesapeake Bay - Requesting \$26 M, an increase of \$4 M over FY 2006 enacted, for improving water quality, overall protection, and restoration of the Chesapeake Bay and its tributaries, including \$6 M for the Corsica River pilot. (EPM)



Budget Request Highlights

Clean Water State Revolving Fund –Requesting \$688 M, a reduction of \$199 M over FY 2006 enacted Levels (STAG)

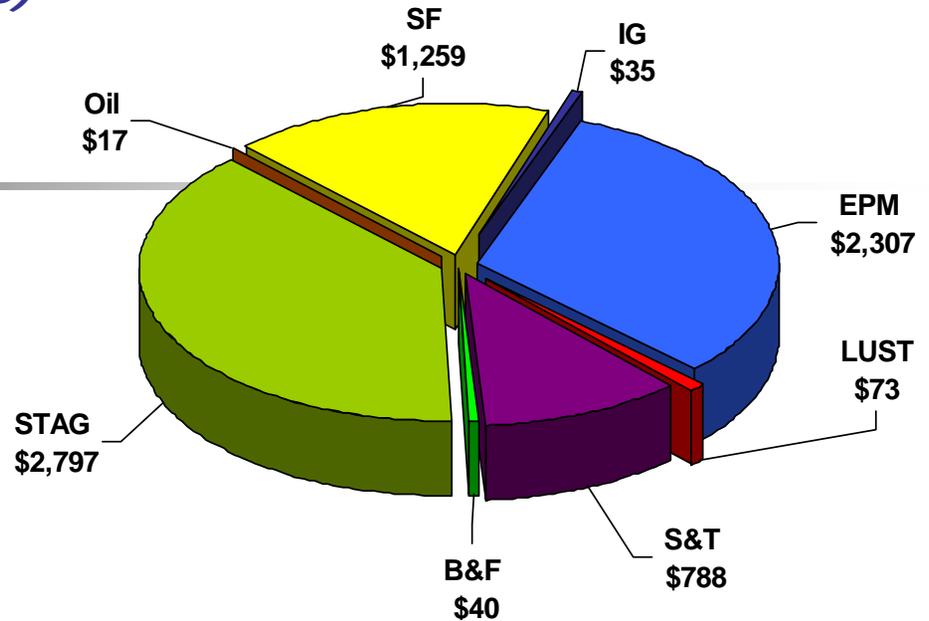
- Continues the Administration's commitment to capitalize the fund through 2011.
- The program is to meet long-term revolving target of \$3.4 B.

Drinking Water State Revolving Fund – Requesting \$842 M, an increase of \$4 M over 2006 enacted levels (STAG)

- Continues the Administration's commitment to capitalize the fund through 2018.
- The program is to meet long-term revolving target of \$1.2 B.

FY 2007 Appropriation Totals

(Dollars in Millions)



**FY 2007
President's Budget
\$7.3 Billion**

| | <i>FY 2005</i> <i>Enacted</i> | <i>FY 2006</i> <i>PresBud</i> | <i>FY 2006</i> <i>Enacted</i> | <i>FY 2007</i> <i>PresBud</i> | <i>FY 2006 EN</i> <i>to FY 2007</i> |
|---------------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------------|
| EPM | \$2,295 | \$2,404 | \$2,347 | \$2,307 | (\$40) |
| S&T (excludes SF transfer) | \$744 | \$761 | \$730 | \$788 | \$58 |
| B&F | \$42 | \$40 | \$40 | \$40 | \$0 |
| STAG | \$3,575 | \$2,961 | \$3,148 | \$2,797 | (\$350) |
| LUST | \$69 | \$73 | \$80 | \$73 | (\$7) |
| Oil | \$16 | \$16 | \$16 | \$17 | \$1 |
| IG (excludes SF transfer) | \$38 | \$37 | \$37 | \$35 | (\$2) |
| SF (includes Transfers to IG and S&T) | \$1,247 | \$1,279 | \$1,231 | \$1,259 | \$28 |
| Total | \$8,025 | \$7,521 | \$7,626 | \$7,315 | (\$311) |

Numbers may not add due to rounding

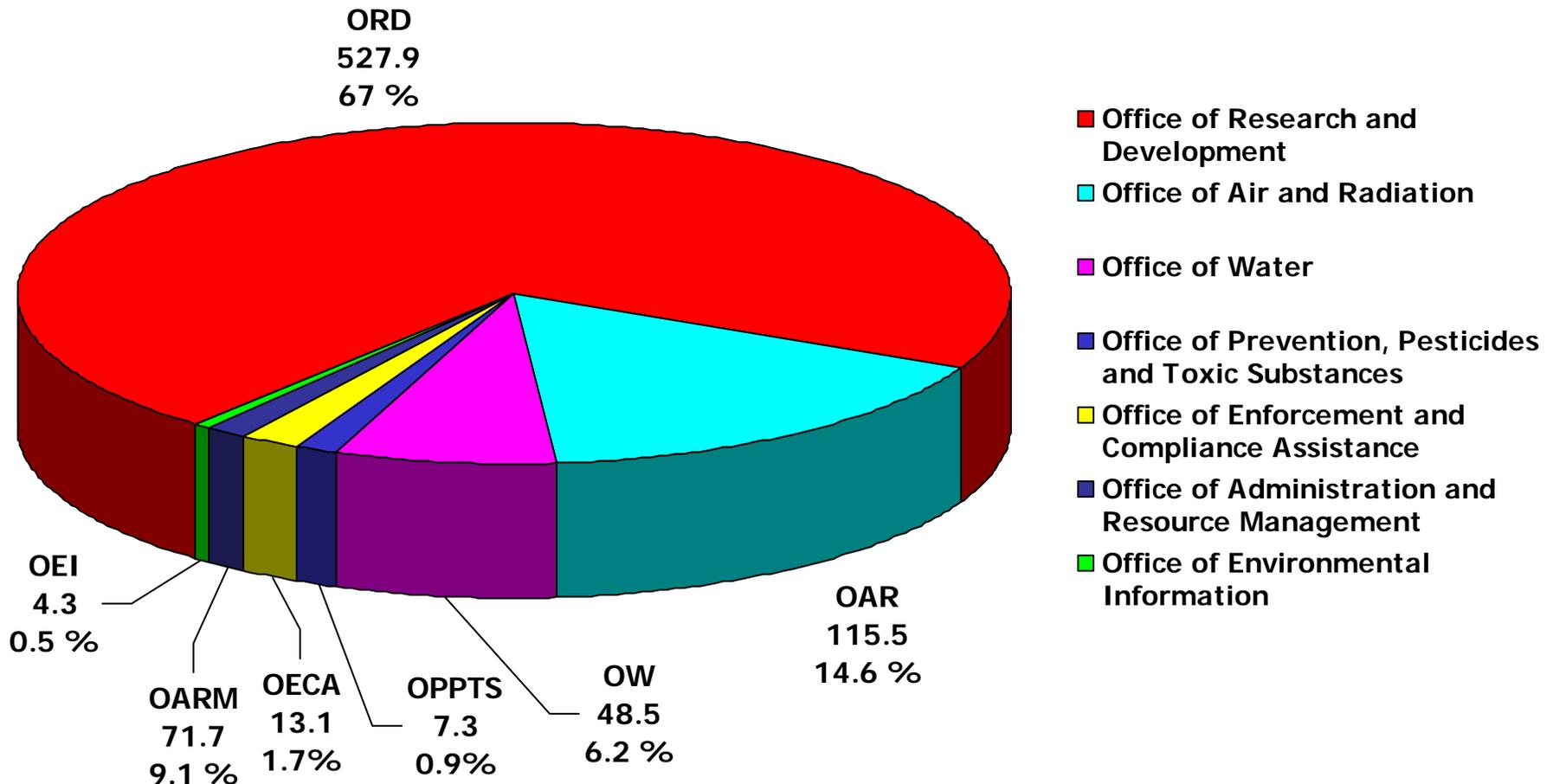
¹ Reflects FY 2005 Enacted 0.8% Rescission

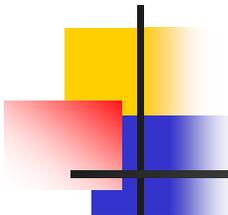
² FY 2006 President's Budget **excludes** \$50M to be derived from Toxics and Pesticides Fees

³ Reflects FY 2006 Enacted 0.476% plus 1% additional rescission. Does not include \$80M rescission.

FY 2007 S&T Request by NPM

(Dollars in Millions)





Program changes to S&T Highlights FY 2007 Request

■ Increases:

- Water Security +\$33 M
- HS Decontamination +\$8 M
- Water Infrastructure +7 M
- Nanotechnology +\$4 M
- Computational Toxicology +3 M

■ Decreases:

- Climate Protection Program - \$6 M
- Ecosystems Protection - \$5 M