

# Administrator's Letter



November 15, 2006

The President  
The White House  
Washington, DC 20500

Dear Mr. President:

I am pleased to present the Environmental Protection Agency's *Fiscal Year 2006 Performance and Accountability Report*. This report reviews the Environmental Protection Agency's (EPA's) programmatic and financial performance over the past fiscal year. I give my assurance that the performance and financial data included in this report are complete and reliable, consistent with guidance provided by the Office of Management and Budget.

This report meets the requirements of the Government Performance and Results Act and other management legislation; it also demonstrates EPA's commitment to be accountable for results measured against the annual performance goals presented in our FY 2006 Annual Plan. With the help of our state, local, and tribal partners, EPA has made considerable progress toward each of the five long-term goals for protecting human health and the environment established in our 2003–2008 *Strategic Plan*.

This year, EPA celebrated its 35th anniversary. Since our founding, EPA has led the nationwide effort to clean up and protect the environment, for today and for

the future. We have taken your charge seriously—to accelerate the pace of environmental protection, while maintaining our nation's economic competitiveness. Today, we are relying on collaborative efforts, innovative programs and approaches, and sound science to promote a culture of environmental stewardship here in the United States and throughout the world.

## PERFORMANCE HIGHLIGHTS

- Nationwide, our air is cleaner today than it was three decades ago.
- We are advancing clean, renewable fuels and clean air through a renewable fuel

standard which guarantees the use of renewable fuels produced from American crops will double by 2017.

- To help meet your greenhouse intensity reduction goal, I recently kicked off ENERGY STAR's annual Change a Light, Change the World campaign to encourage more Americans to make smart lighting decisions. If every American household changed just one traditional light to an ENERGY STAR-qualified bulb, we would conserve enough power to light more than 2.5 million homes for a year, save more than \$500 million in energy costs, and prevent the equivalent greenhouse gas emission of nearly 800,000 cars.
- We practice what we preach since, as of September 1, 2006, EPA is purchasing nearly 300 million kilowatt hours of green power annually in the form of either renewable energy certificates or delivered product. I am proud to say that EPA is the first federal agency to purchase green power equal to 100 percent of its estimated annual electricity use nationwide.
- By the end of FY 2006, more than 2,500 polluted waters identified by states in 2000 were restored or found to be meeting water quality standards.
- We exceeded our target under Superfund—by the end of FY 2006, EPA controlled site contamination posing unacceptable risks to human health at an additional 34 sites and controlled the spread of groundwater contamination at 21 other sites.
- We put your strong commitment to Brownfields redevelopment into practice by strong public-private partnerships and innovative and creative solutions. By encouraging cleanup and redevelopment of America's abandoned and contaminated waste sites, the Brownfields Program has leveraged more than \$8.2 billion in private investment, more than 37,500 jobs, and more than 8,300 properties assessed for potential redevelopment.
- Over the past year, we worked with our federal, state, and local agency partners to assist in the Gulf Coast recovery from hurricanes Katrina and Rita. EPA produced more than 400,000 analyses as a result of environmental monitoring and sampling of water, air, floodwater, and residual sediment. We assessed approximately 4,000 water systems to determine their viability after the storm; inspected more than 3,500 potable water trucks to ensure the availability of safe drinking water; assessed approximately 1,300 underground storage tank locations and more than 1,600 chemical facilities and refineries; and provided technical advice and assistance, promoted recycling, and handled the disposal of more than 4 million containers of household hazardous waste. The lessons we learned in meeting this enormous challenge have better prepared us to respond to future emergencies.
- EPA recognizes that homeland security is your top priority. We play a lead role in

supporting the protection of critical water infrastructure and coordinating development of national capabilities and strategies to address chemical, biological, and radiological contamination from a terrorist event. In FY 2006, EPA received emergency response plans for 100 percent of all large and medium community drinking water systems that conducted vulnerability assessments; launched a pilot water contamination warning system; developed short-term exposure limits and established health effects guidelines for exposure to hazardous chemicals or a terrorist incident; and updated the National Response Plan in light of lessons learned from hurricanes Katrina and Rita.

## MANAGEMENT

EPA's leadership team is committed to achieving the goals set under the President's Management Agenda for delivering environmental results to our customers—the American public—effectively and efficiently. During FY 2006, EPA made progress under each of the government-wide initiatives: Human Capital, Competitive Sourcing, Expanded E-Government, Improved Financial Performance, Budget and Performance Integration, and Eliminating Improper Payments. As of

September 2006, the Agency achieved six “green” scores for progress on implementation and four “green” scores on the status of PMA Initiative implementation.

For the fifth year running, EPA has no material weaknesses to report under the Federal Managers' Financial Integrity Act, the law that safeguards against fraud, waste, abuse, and misappropriation of federal funds. In FY 2006, EPA expanded its FMFIA program to address new internal controls related to financial reporting, as required in Office of Management and Budget Circular A-123. EPA made great strides in implementing the new requirements and as a result, this report includes my two “unqualified” statements of assurance on the effectiveness of EPA's overall internal controls and its internal controls over financial reporting. Additionally, EPA closed one of its eight existing, less severe internal deficiencies in the area of water quality standards, as well as several deficiencies identified under A-123 related to financial management. We will continue diligently to address our remaining issues.

## FUTURE

With the involvement of our partners and stakeholders, EPA issued its *2006–2011 Strategic Plan* on September 30, 2006. Our *Plan*

charts an ambitious course for the Agency's work over the next five years, laying the foundation to meet our long-term goals and demonstrate progress along the way. It reflects our principles of results and accountability, innovation and collaboration, and the use of the best available science. EPA is proud of our and our partners' achievements in improving the quality of air and water and protecting the land. We intend to learn from our experience, adjust our approaches as necessary, and build on our FY 2006 results to fulfill our responsibility for protecting human health and the environment. EPA will continue to promote environmental stewardship within the United States and abroad and to take advantage of opportunities for using environmental protection to drive economic growth. We will meet our responsibilities for enforcing environmental laws and regulations and approach new challenges with enthusiasm. As we look ahead, we pledge to continue our efforts to ensure a safe and healthy environment for future generations.

Sincerely,



Stephen L. Johnson