



**United States
Environmental Protection Agency**

FISCAL YEAR 2019

**Justification of Appropriation
Estimates for the Committee
on Appropriations**

Introduction and Overview

EPA-190-R-18-001

February 2018
www.epa.gov/ocfo

EPA's Mission

The mission of the Environmental Protection Agency (EPA) is to protect human health and the environment. This mission resonates with all Americans; we can all agree that we want our future generations to inherit a cleaner, healthier environment that supports a thriving economy. In carrying out its mission, the EPA works to ensure that all Americans are protected from exposure to hazardous environmental risks where they live, learn, work, and enjoy their lives. The Agency guides national efforts to reduce environmental risks, based upon on-going research and scientific analysis.

EPA's FY 2019 Budget maintains core environmental protection with respect to statutory and regulatory obligations. This budget provides the direction and resources to return the EPA to its core mission of protecting human health and the environment. This can be accomplished by engaging with state, local, and tribal partners to create and implement sensible regulations that also work to enhance economic growth.

This strategy will be realized through the creation of three, new overarching strategic goals that guide EPA's approach to protect human health and the environment:

- **Goal 1 – Core Mission:** Deliver real results to provide Americans with clean air, land, and water, and ensure chemical safety.
- **Goal 2 – Cooperative Federalism:** Rebalance the power between Washington and the states to create tangible environmental results for the American people.
- **Goal 3 – Rule of Law and Process:** Administer the law, as Congress intended, to refocus the Agency on its statutory obligations under the law.

The EPA works to ensure our future generations will inherit a better and healthier environment. Environmental stewardship while growing our economy is essential to the American way of life and key to economic success and competitiveness. Regulation and policy will incorporate robust input from the public through formal and informal mechanisms to seek full understanding of the impacts of proposed policy on public health, the environment, the economy, jobs, families, and our communities.

The EPA is proud to be a good steward of taxpayer resources and to efficiently deliver environmental protection. To learn more about how the Agency accomplishes its mission, including information on the organizational structure and regional offices, please visit: <http://www.epa.gov/aboutepa/>.

FY 2019 Annual Performance Plan

The EPA's FY 2019 Annual Performance Plan and Budget¹ of \$6.146 billion represents a \$2.58 billion, or 23.2% reduction from the Agency's FY 2018 Annualized Continuing Resolution (ACR) level. This resource level and the Agency requested 12,250.3 FTE will enable EPA to support our highest priorities and fulfill our critical mission for the American people.

¹ The Budget includes the addendum to the President's FY 2019 Budget to account for the Bipartisan Budget Act of 2018.

A major component of our FY 2019 budget request is funding for drinking water and clean water infrastructure as well as for Brownfields and Superfund projects. Resources also are focused on efforts to improve and protect air quality and to ensure the safety of chemicals. This budget ensures that federal funding supports the highest priority national work. With the understanding that environmental protection is a shared responsibility, funds are provided to our state and tribal partners through programs such as the Multipurpose Grants to implement core mission work in a flexible manner. This budget also provides essential resources to equip EPA in delivering vital emergency response services in environmental disasters.

The FY 2019 Budget, along with the FY 2018-2022 Strategic Plan and the Agency Reform Plan, highlight actions that will enable EPA to reduce costs and more effectively utilize limited resources. The Agency will work across all of our programs to unite varied interests and stakeholders to focus attention and leverage federal, state, local, and non-governmental resources in a coordinated effort to address the nation's greatest environmental challenges.

FY 2018-2019 Agency Priority Goals

The budget highlights EPA's six FY 2018-2019 Agency Priority Goals² (APGs) that advance EPA priorities and the Agency's FY 2018-2022 Strategic Plan.

Improve air quality by implementing pollution control measures to reduce the number of non-attainment areas. By September 30, 2019, EPA, in close collaboration with states, will reduce the number of nonattainment areas to 138 from a baseline of 166.

Empower communities to leverage EPA water infrastructure investments. By September 30, 2019, EPA will increase by \$16 billion the non-federal dollars leveraged by EPA water infrastructure finance programs (Clean Water and Drinking Water State Revolving Funds and the Water Infrastructure Finance and Innovation Act).

Accelerate the pace of cleanups and return sites to beneficial use in their communities. By September 30, 2019, EPA will make an additional 102 Superfund sites and 1,368 Brownfields sites ready for anticipated use (RAU).

Meet new statutory requirements to improve the safety of chemicals in commerce. By September 30, 2019, EPA will complete in accordance with statutory timelines (excluding statutorily-allowable extensions): 100% of required EPA-initiated Toxic Substances Control Act (TSCA) risk evaluations for existing chemicals; 100% of required TSCA risk management actions for existing chemicals; and 80% of TSCA pre-manufacture notice final determinations.

Increase environmental law compliance rate. Through September 30, 2019, EPA will increase compliance by reducing the percentage of Clean Water Act (CWA) National Pollutant Discharge Elimination System (NPDES) permittees in significant noncompliance with their permit limits to 21% from a baseline of 24%.

² Agency Priority Goals reflect the top near-term Agency priorities that advance progress towards the three overarching Strategic Plan Goals.

Accelerate permitting-related decisions. By September 30, 2019, EPA will reduce by 50% the number of permitting-related decisions that exceed six months.

FY 2019 Funding Priorities

Infrastructure

The infrastructure of the Nation is not limited to roads and bridges. The infrastructure needs of our communities are broader and include making improvements to drinking water and waste water infrastructure as well as cleaning up contaminated land. In FY 2019, EPA will work in a focused manner to make infrastructure and public health protection investments in communities, by working with and through our state and tribal partners.

A priority for the Agency is modernizing the outdated water infrastructure on which the American public depends. This budget supports the President's commitment to infrastructure repair and replacement and would allow states, municipalities, and private entities to finance high priority infrastructure investments. The FY 2019 budget includes \$2.3 billion for the State Revolving Funds (SRF) and \$20 million for the Water Infrastructure Finance and Innovation Act (WIFIA) program.

Clean and safe drinking water is critical to the health of communities. While most small systems consistently provide safe and reliable drinking water, many small systems face challenges with aging infrastructure, increasing costs and decreasing rates bases, making the drinking water SRF an important source of funding for these communities. This SRF funding also supports efforts across the country to eradicate lead pipes that may leach into the nation's drinking water supply. The budget maintains funding for the drinking water SRF to support this priority to reduce lead exposure, and ensure small and disadvantaged communities have access to clean and safe water.

With \$20 million in FY 2019 WIFIA appropriations, EPA could potentially provide up to \$2 billion in credit assistance, which, when combined with other funding sources, could spur up to an estimated \$4 billion in total infrastructure investment.³ The WIFIA program is designed to offer credit assistance with flexible terms in order to attract private participation, encourage new revenue streams for infrastructure investment, and allow public agencies to get more projects done. This makes the WIFIA program credit assistance a powerful new tool to help address a variety of existing and new water infrastructure needs.

Given that EPA's infrastructure investments are catalysts for economic growth and environmental protection, the Agency will support private and public investment in economic revitalization that improve environmental outcomes across the country. EPA will identify opportunities to link infrastructure and community assistance program resources to spur similar, non-Agency investments with the goal of enhancing the collective impact those resource have in communities. Through the combined work of the SRFs and WIFIA, EPA will ensure that it is serving disadvantaged communities, leveraging private investment to improve the economy, and protecting human health and the environment.

³ This approximation is based on notional calculations. Subsidy cost is determined on a loan-by-loan basis.

Improving Air Quality

In FY 2019, the EPA will perform activities in support of the National Ambient Air Quality Standards (NAAQS) and implementation of stationary source regulations to support state, local, and tribal air quality programs. The Agency will continue its Clean Air Act (CAA) mandated responsibilities to administer the NAAQS and will provide a variety of technical assistance, training, and information to support state clean air plans. The EPA will continue to prioritize statutorily mandated responsibilities and court-ordered actions. A focus will be placed on states achieving attainment, looking for improved processes for (State Implementation Plans) SIPS and implementation options. In addition, the EPA will continue to conduct risk assessments, to determine whether the Maximum Achievable Control Technology (MACT) rules appropriately protect public health.

In FY 2019, the Federal Vehicle and Fuels Standards and Certification program will focus its efforts on certification decisions. The Agency will perform its compliance oversight functions on priority matters, where there is evidence to suggest noncompliance, and conduct testing activities for pre-certification confirmatory testing for emissions and fuel economy for passenger cars.

The Budget includes a proposal to authorize the EPA to establish user fees for entities that participate in the ENERGY STAR program. By administering the ENERGY STAR program through the collection of user fees, the EPA would continue to provide a trusted resource for consumers and businesses who want to purchase products that save them money and help protect the environment.

Air monitoring, which provides information to states used to develop clean air plans, for research, and for the public, will continue to be a focus of the Agency. In FY 2019, the EPA will provide grants to state, local, and tribal air pollution control agencies to manage and implement their air quality programs. We will work with our state and tribal partners to rapidly approve their implementation plans for attaining air quality standards to reduce contaminants that cause or exacerbate health issues.

This budget supports implementation of Executive Order 13783, Promoting Energy Independence and Economic Growth, which directs all agencies to identify, and propose measures to suspend, revise or rescind regulatory barriers that impede progress towards energy independence. EPA will continue to take appropriate deregulatory actions and work to speed up the environmental permitting process to advance this effort.

Clean and Safe Water

The EPA will continue to provide scientific water quality criteria information, review and approve state water quality standards, and review and approve state lists of impaired waters. In FY 2019, the Agency will continue to work with states and other partners on Total Maximum Daily Loads (TMDLs) as required by the Clean Water Act, as well as on other waterbody restoration plans for listed impaired waterbodies. The EPA also will continue to implement and support core water quality programs that control point-source discharges through permitting and pre-treatment programs.

The EPA will continue to partner with states, drinking water utilities, and other stakeholders to identify and address current and potential sources of drinking water contamination. These efforts are integral to the sustainable infrastructure efforts as source water protection can reduce the need for additional drinking water treatment and associated costs. In FY 2019, the Agency will continue to emphasize efforts on small and rural community water systems. EPA also will coordinate and support protection of the nation's critical water infrastructure from terrorist threats and all-hazard events.

Revitalizing Land

The cleanup and reuse of contaminated lands often can play an important role in economically revitalizing a community. The EPA's cleanup programs, including Superfund and Brownfields, protect human health and the environment and also return sites to productive use, which is important to the economic well-being of communities. Working collaboratively with partners across the country, the EPA engages with communities in site cleanup decisions, fosters employment opportunities in communities during and after remedy construction, promotes the redevelopment of blighted areas, and protects human health and the environment.

The FY 2019 budget includes \$864.7 million to fund EPA's cleanup programs. In FY 2019, particular emphasis will be placed on the Agency's top priority list of Superfund sites.⁴ These sites are targeted for immediate and intense action to accelerate clean-up and promote site reuse, while addressing risks to human health and the environment. The Agency will accelerate cleanup by re-prioritizing some resources to focus on remedial actions, construction completions, ready-for-reuse determinations, and National Priorities List (NPL) site deletions. Further, the Agency will focus efforts to clean up and propel development at Superfund sites that offer the greatest expected redevelopment and commercial potential, as outlined in the recently released Superfund Redevelopment Focus List⁵, and will promote additional private investment in cleanup activities as recommended by the Superfund Task Force⁶.

The EPA also will invest in communities through Brownfields grants so communities can realize their own visions for environmental health, economic growth, and job creation. In FY 2017, grants awarded by the Brownfields program have led to over 69,200 acres of idle land made ready for productive use and over 129,240 jobs and \$24.7 billion leveraged.⁷ In addition, EPA will continue to work with industry to prevent new releases from occurring through the accident prevention training, regulation, and inspections. The FY 2019 Budget includes a proposal that would authorize EPA to collect and use fees to provide on-site compliance assistance to oil and chemical facilities seeking to use this service.

Ensuring the Safety of Chemicals

In FY 2019 resources will support the Agency's significant continuing and new responsibilities under the Toxic Substances Control Act (TSCA) for ensuring that new and existing chemicals are

⁴ <https://www.epa.gov/superfund/superfund-sites-targeted-immediate-intense-action>

⁵ <https://www.epa.gov/superfund-redevelopment-initiative/superfund-redevelopment-focus-list>

⁶ https://www.epa.gov/sites/production/files/2017-07/documents/superfund_task_force_report.pdf

⁷ The EPA's ACRES database (<https://cfext.epa.gov/acres/>)

evaluated in a timely manner and that any unreasonable risks are addressed. The EPA will work aggressively to complete the 10 chemical risk evaluations initiated in December 2016, continue prioritization efforts to identify future chemicals for evaluation and evaluate new chemicals before they are allowed to commercialize. In addition to fees, \$58.6 million is requested in FY 2019 for the TSCA Chemical Risk Review and Reduction program to support this high priority work. EPA will focus on meeting its statutory requirements and mandatory deadlines of TSCA and ensuring our reviews are efficient, effective, and transparent to stakeholders. New chemicals will be evaluated and decisions will be based on best available science and the weight of evidence. For chemicals in commerce, the EPA will maintain an ambitious schedule for initiating and completing chemical risk evaluations and, where risks are identified, for initiating and completing regulatory actions to address those risks. The EPA's toxics program will maintain its 'zero tolerance' goal for preventing the introduction of unsafe new chemicals into commerce. The EPA also will implement the new mandates related to determinations on claims for confidentiality for chemical identities.

In FY 2019, the Agency will continue implementing TSCA activities not amended by the Frank R. Lautenberg Chemical Safety for the 21st Century Act. The Agency also will provide firm and individual certifications for safe work practices for lead-based paint abatement and renovation and repair efforts, as well as provide for the operation and maintenance of the online Federal Lead-Based Paint program database (FLPP) that supports the processing of applications for training providers, firms and individuals.

Identifying, assessing, and reducing the risks presented by the pesticides on which our society and economy rely is integral to ensuring environmental and human safety. In FY 2019 the EPA will invest resources to improve the compliance of pesticide registrations with the Endangered Species Act. A portion of the funding also will ensure that pesticides are correctly registered and applied in a manner that protects water quality. Chemical and biological pesticides help meet national and global demands for food. They provide effective pest control for homes, schools, gardens, highways, utility lines, hospitals, and drinking water treatment facilities, while also controlling vectors of disease. EPA ensures pesticides available in the U.S. are safe when used as directed. In addition, the Agency is increasing the focus on pollinator health, working with other federal partners, states, and private stakeholder groups to stem pollinator declines and increase pollinator habitat.

Establishing New Fees

EPA is proposing several new fees in FY 2019 to better align appropriated resources to the Agency's core mission, provide dedicated funding sources for specific activities and to better align program costs with beneficiaries. To increase compliance in industry, EPA proposes establishing two new voluntary user fees. These fees will enable EPA to provide compliance assistance services to both Risk Management Plan facilities, and Facility Response Plan and Spill Prevention Control and Countermeasure facilities. EPA also is proposing to establish Energy Star as a fee-funded program in FY 2019 to ensure the important work of the program continues. In addition, EPA will continue to work with OMB and other Agencies to review potential areas where fee-funding may be an appropriate mechanism to reduce the burden on taxpayers.

EPA Reform Plan

The Budget includes EPA's Reform Plan to implement the goals of Executive Order 13781: *Comprehensive Plan for Reorganizing the Executive Branch*. The plan includes a series of projects focused on improving how we provide services and engage our customers. Projects include streamlining EPA's permit review process, deploying a Lean Management System, and reducing the reporting burden on the regulated community. More information is available in the Congressional Justification appendix.

Eliminated Programs

Programs and activities eliminated in the FY 2019 Budget total \$598.5 million compared to FY 2018 Annualized CR levels. Details are found in [<https://www.epa.gov/planandbudget/fy2019>]. The Administration is committed to creating a leaner, more accountable, less intrusive, and more effective Government.