



APPENDIX C

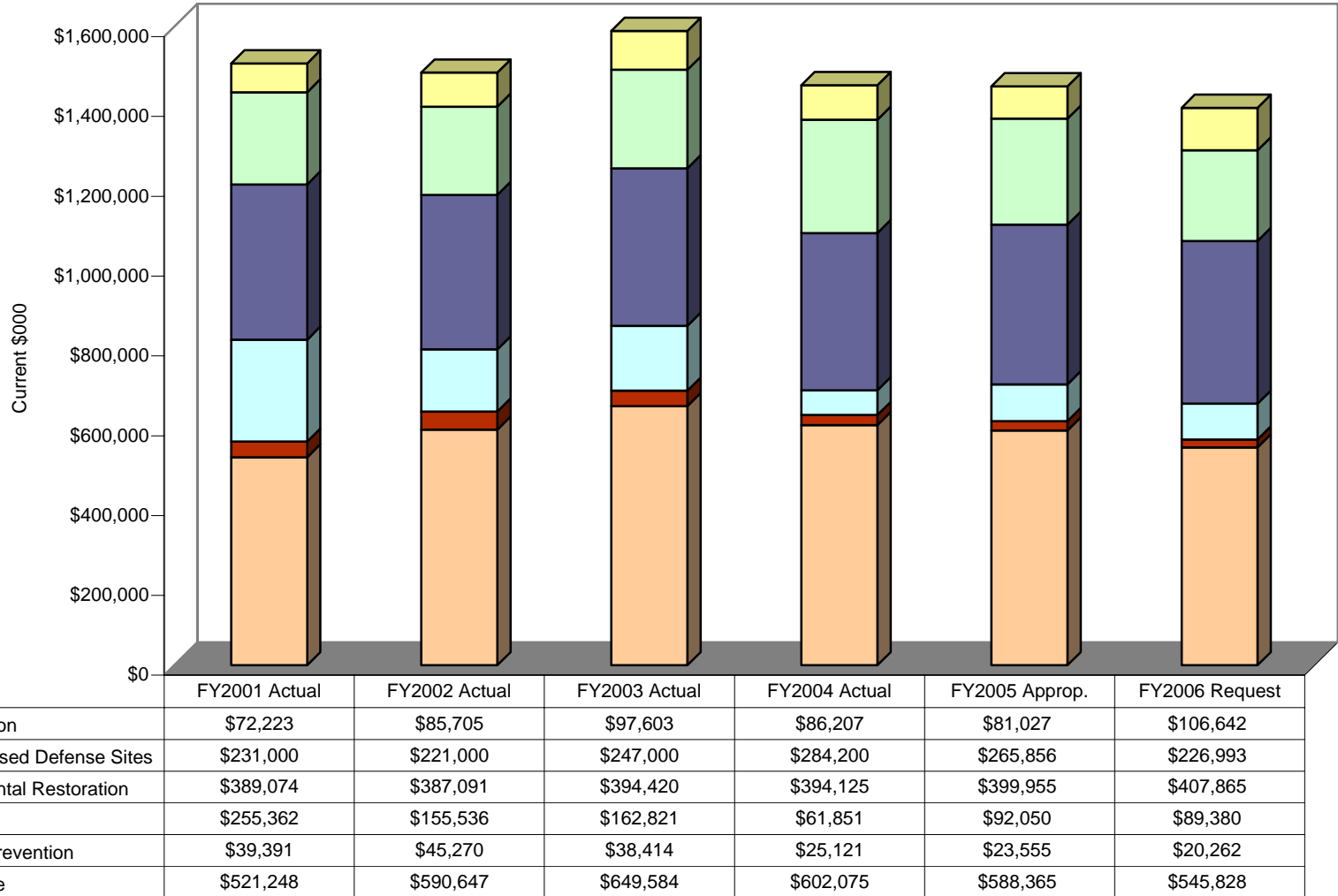
COMPONENT ENVIRONMENTAL FUNDING OVERVIEW

The budget process ensures that Department of Defense (DoD) Components identify and request adequate funding to meet all legal and regulatory environmental requirements. The budget cycle for each fiscal year begins years in advance, requiring DoD to anticipate and plan for future environmental activities. DoD Components—the Army, Navy, Marine Corps, Air Force, and the Defense Agencies—build their environmental budgets from the installation-level up. These installation-level estimates are the basis for Component environmental budget submissions to the Secretary of Defense. The Secretary includes these requirements as part of the overall Defense budget that the President submits to Congress.

In addition, the budget includes amounts required to restore formerly used defense sites, that the Army, as executive agent, identifies to address DoD’s environmental restoration responsibilities at these sites where past DoD activities caused environmental damage.

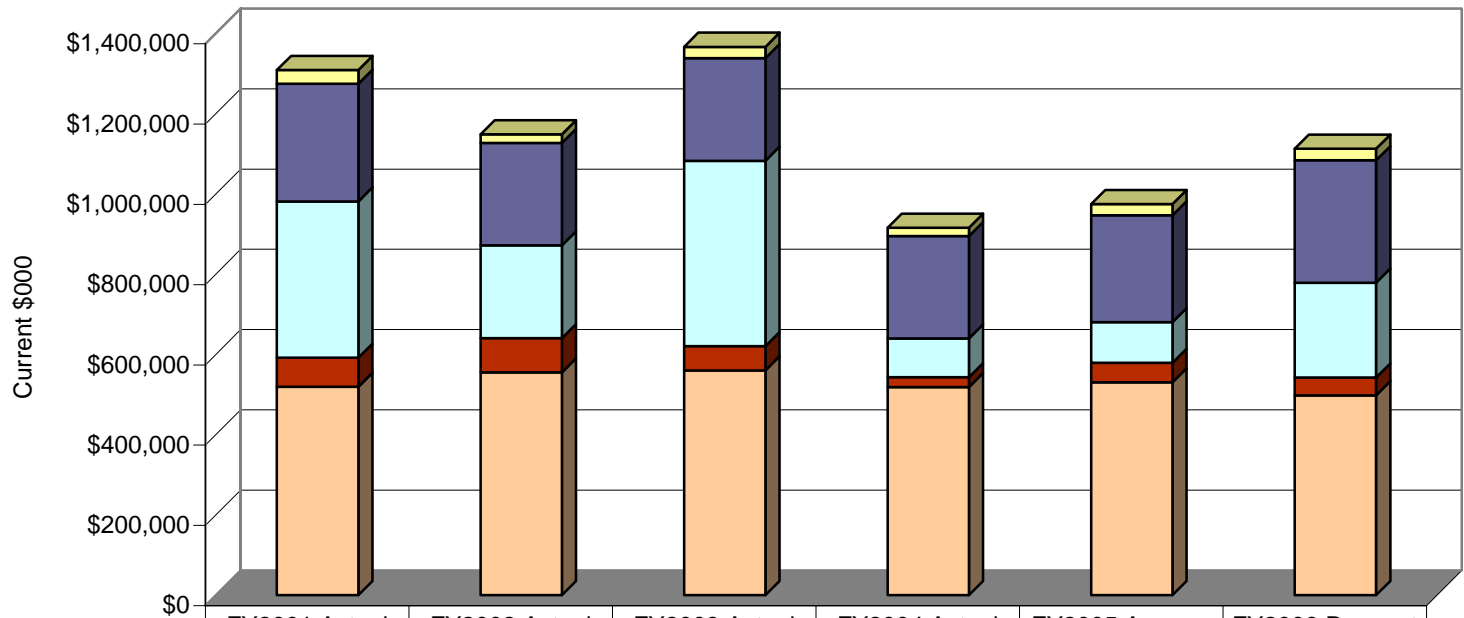
While many important programs require federal funds, the Department believes it is critical that Components receive adequate funding to meet their environmental requirements and to ensure the protection of human health and the environment.

Figure 1
 Department of the Army Budget Summary
 Budget by Area
 (Current \$000)



Budget by Area: The Department of Army budget has remained fairly stable. The decrease in Pollution Prevention represents integration of portions of the program into other business processes. The Environmental Quality budget continues to provide sufficient funds to meet all legal mandates.

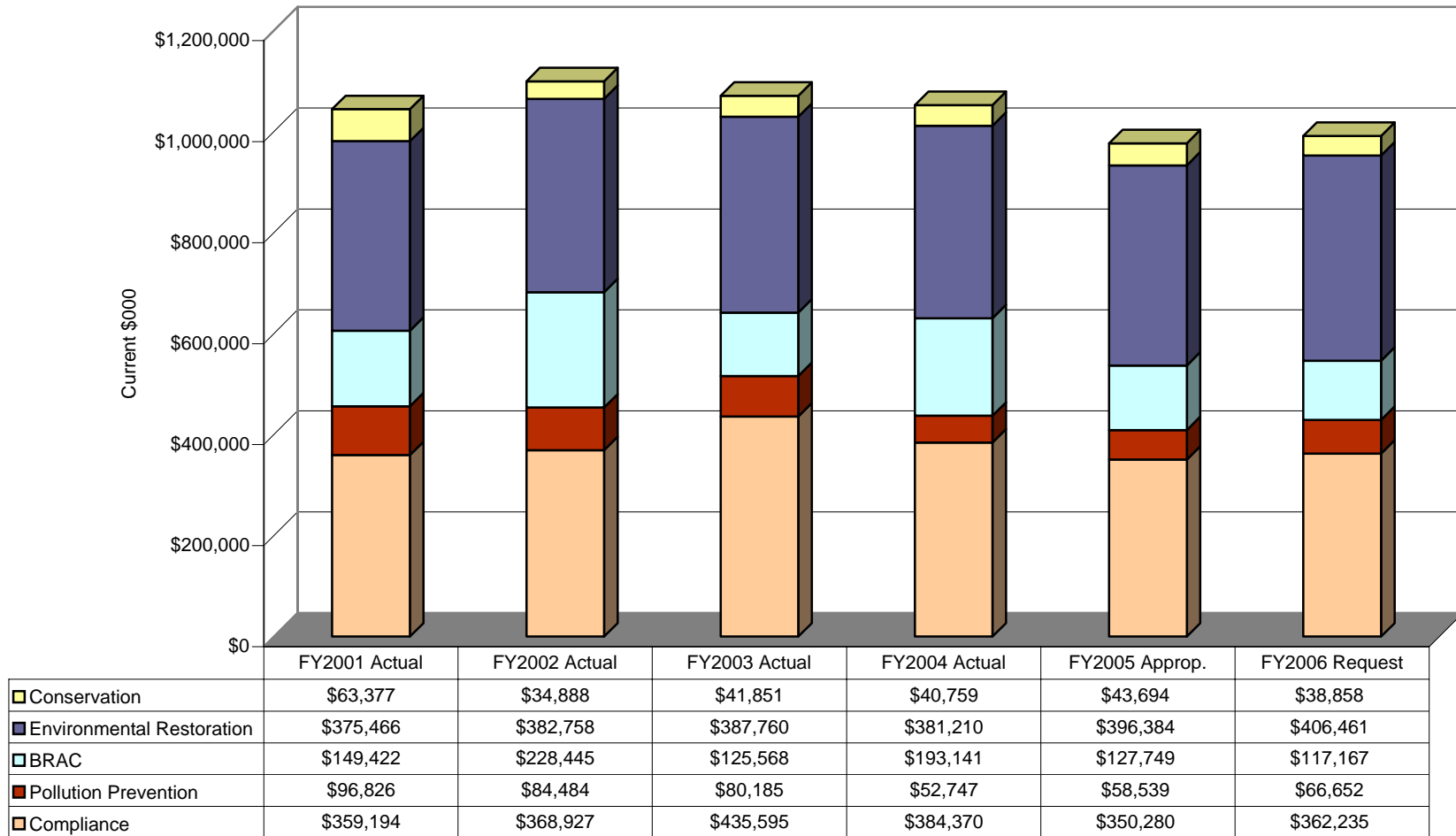
Figure 2
 Department of the Navy Budget Summary
 Budget by Area
 (Current \$000)



	FY2001 Actual	FY2002 Actual	FY2003 Actual	FY2004 Actual	FY2005 Approp.	FY2006 Request
Conservation	\$34,263	\$21,523	\$28,404	\$20,728	\$28,131	\$28,376
Environmental Restoration	\$293,326	\$255,192	\$255,507	\$254,857	\$266,159	\$305,275
BRAC	\$389,750	\$231,260	\$462,166	\$96,509	\$101,700	\$236,581
Pollution Prevention	\$72,429	\$85,529	\$60,237	\$25,214	\$48,041	\$44,078
Compliance	\$518,924	\$554,587	\$560,005	\$517,979	\$530,432	\$497,819

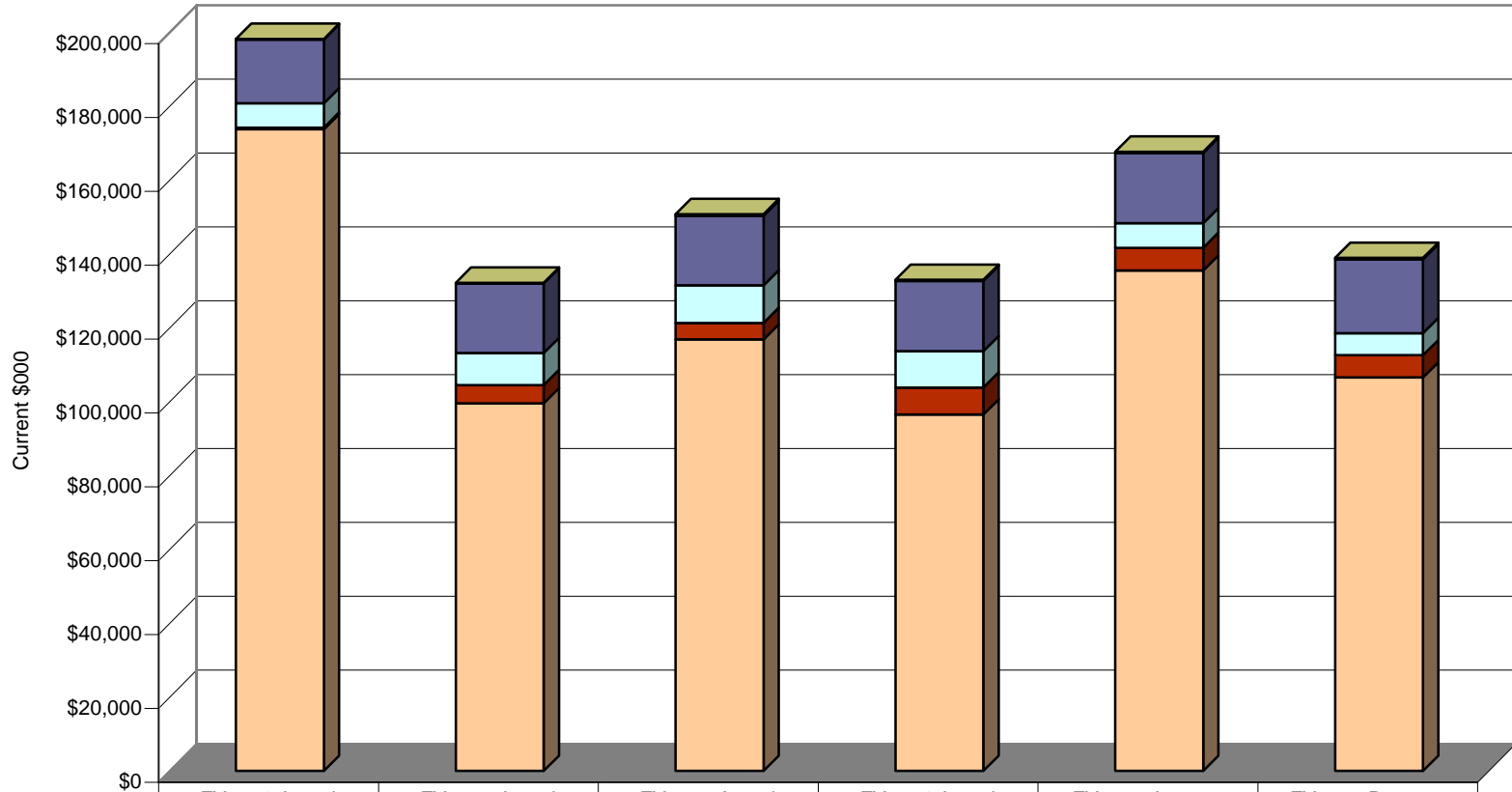
Budget by Area: Compliance, Conservation, Pollution Prevention and BRAC all decrease between 2003 and 2004. BRAC changes beginning in FY2003 primarily reflect the receipt of revenue from the sale of prior-BRAC property, which is being used used to accelerate cleanup at prior BRAC locations. The decreases in Compliance and Pollution Prevention funding reflect completion of the Kaho'olawe site restoration and completing procurement of non-ozone depleting cooling and refrigeration equipment for Navy ships. A small increase in Conservation funding between FY2004 and FY 2005 reflects the need for projects required to implement Integrated Natural Resources Management Plans. Funding for Environmental Quality and Environmental Restoration have a stable funding profile between FY2004 and FY2006. Department of Navy has sufficient funds to meet all known federal, state and local environmental quality standards.

Figure 3
 Department of the Air Force Budget Summary
 Budget by Area
 (Current \$000)



Budget by Area: FY2006 funding reflects a shift of \$10 million from Conservation to Compliance for NEPA requirements (EIS, EBS, and other planning). The increased funding level in FY2003 reflects \$46 million in Class 1 military construction (MilCon) requirements. FY2004 reflects a \$7 million MilCon requirement and FY2003 reflects a \$3.3 million MilCon requirement. FY2006 includes increases in compliance required to meet more stringent requirements at overseas installations.

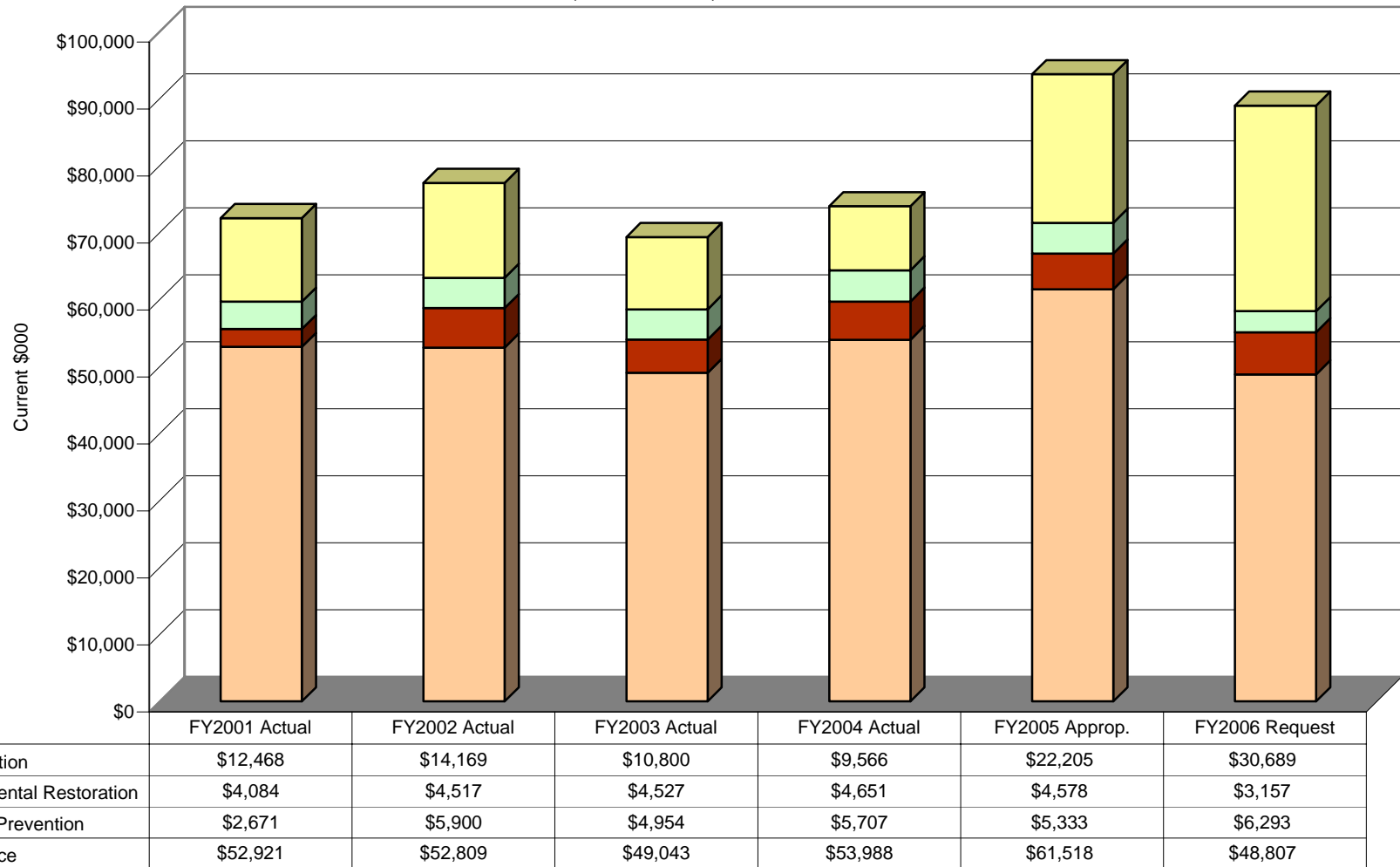
Figure 4
 Defense Logistics Agency Budget Summary
 Budget by Area
 (Current \$000)



	FY2001 Actual	FY2002 Actual	FY2003 Actual	FY2004 Actual	FY2005 Approp.	FY2006 Request
Conservation	\$169	\$215	\$434	\$318	\$339	\$417
Environmental Restoration	\$17,278	\$18,812	\$18,839	\$19,038	\$19,047	\$19,938
BRAC	\$6,543	\$8,680	\$10,168	\$9,811	\$6,652	\$5,974
Pollution Prevention	\$474	\$4,925	\$4,474	\$7,304	\$6,131	\$6,016
Compliance	\$173,669	\$99,500	\$116,780	\$96,467	\$135,442	\$106,501

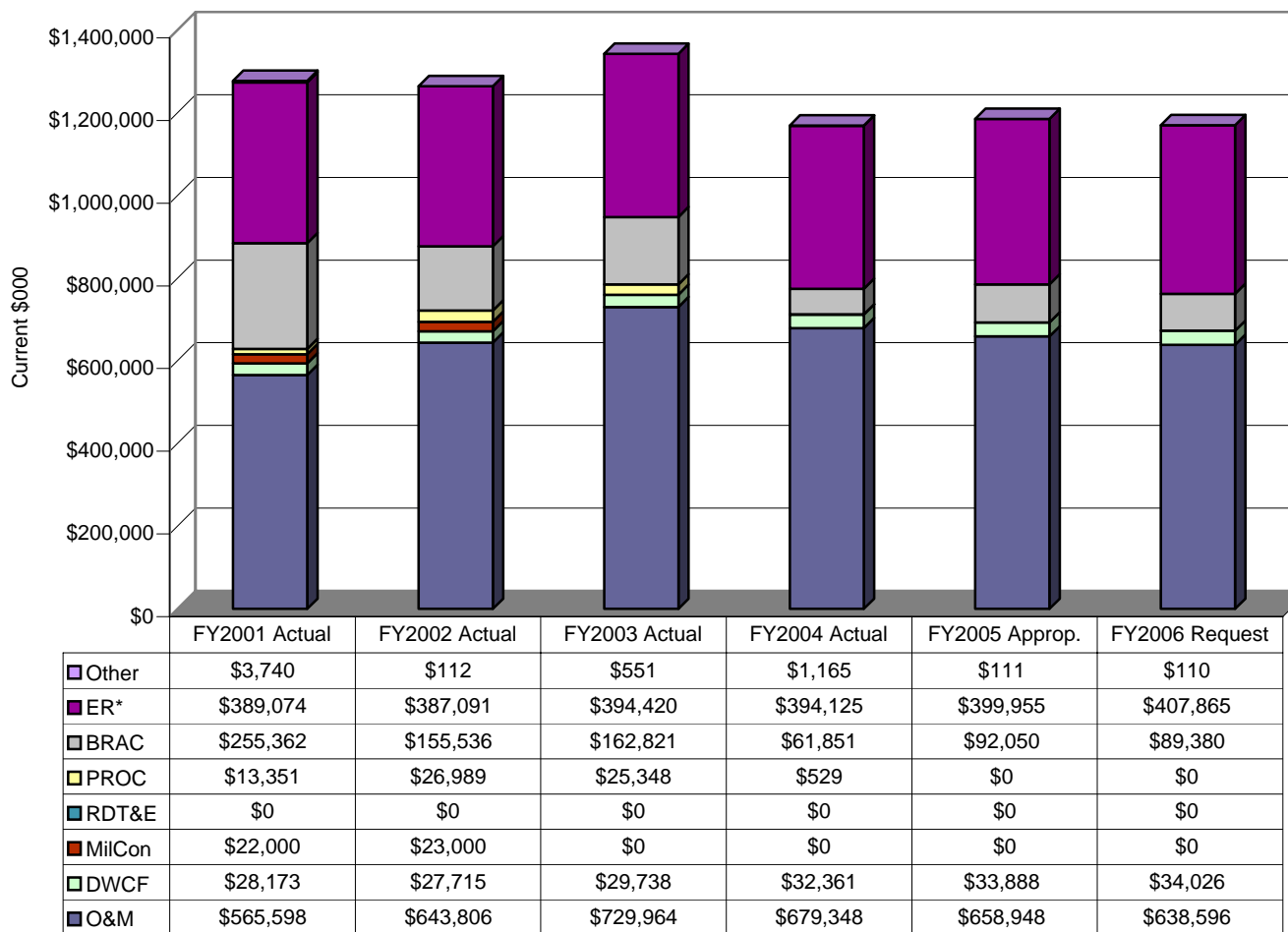
Budget by Area: The large fluctuations in the Compliance program are driven by one time projects, mostly in the MilCon appropriation, with the exception of FY2001, which erroneously included all Components' waste disposal. No MilCon requirements were identified for FY2006.

Figure 5
Other Defense-Wide Programs Budget Summary
Budget by Area
(Current \$000)



Budget by Area: The large increase in Conservation from FY2004 to FY2005 is the \$11 million appropriated for the OSD initiative for Readiness and Environmental Protection Initiative (REPI) to evaluate requirements on DoD's active ranges. The FY2006 request for this initiative is \$20 million. The decrease in the FY2006 Compliance request is the \$10 million NALEMP appropriation added by Congress in 2005.

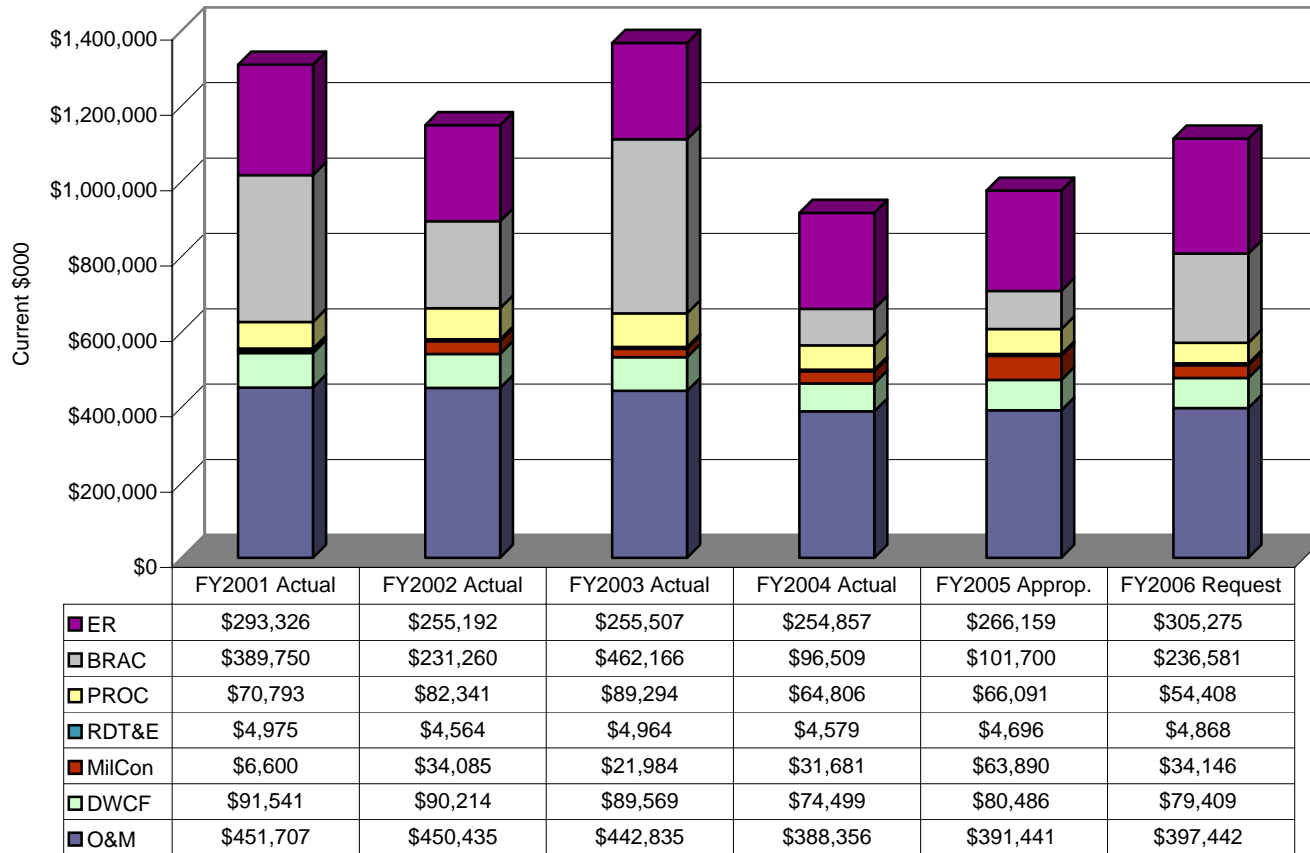
Figure 6
 Department of the Army Budget Summary
 Budget by Appropriation
 (Current \$000)



* Includes formerly used defense sites

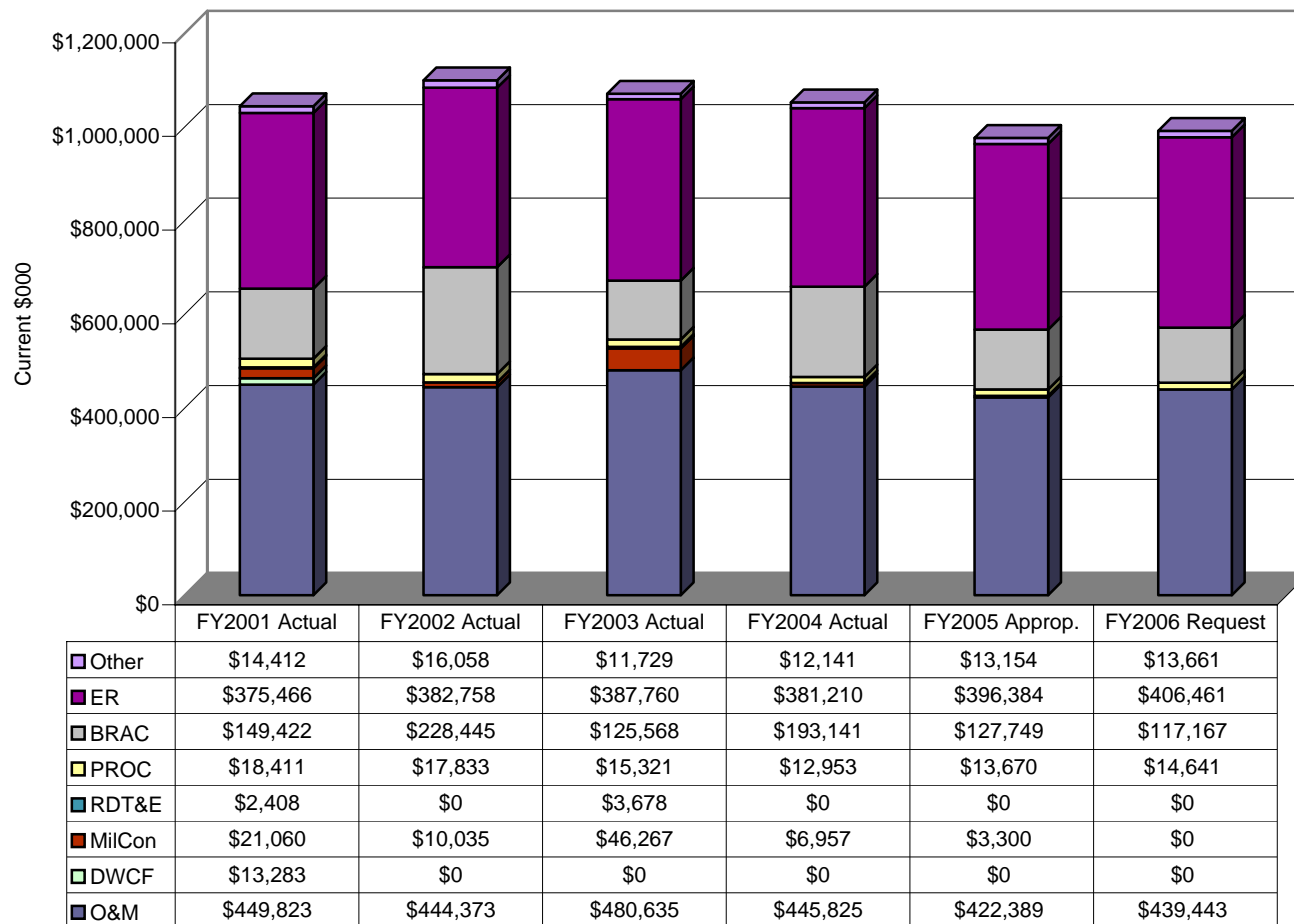
Budget by Appropriation: Environmental funding remains relatively stable. BRAC funding decreases as part of the ramp down to completion. Restoration funding increases in FY2005 and FY2006 for ordnance cleanup and property disposal at selected installations. Environmental activities for PROC and MilCon are integrated into appropriate program business practices.

Figure 7
Department of the Navy Budget Summary
Budget by Appropriation



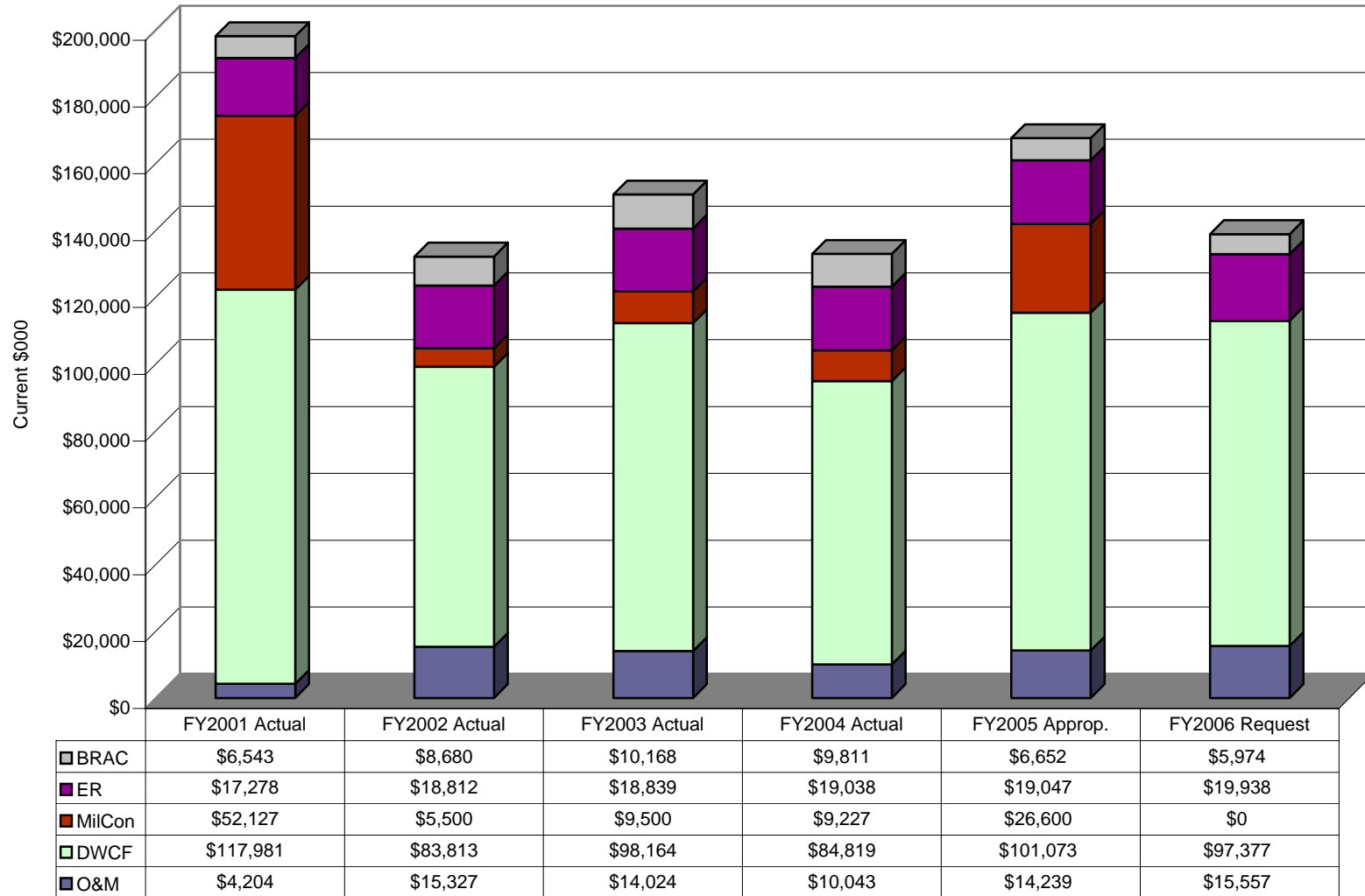
Budget by Appropriation: The ER increase in FY2006 is to accelerate the cleanup of Vieques. BRAC changes beginning in FY2003 primarily reflect the receipt of revenue from the sale of prior BRAC property, which is being used to accelerate cleanup at prior BRAC locations. The decline of OPN funding between FY2003 and FY2004 is primarily due to completing procurement and installation of non-ozone depleting cooling and refrigeration equipment aboard Navy surface ships. The decline in the O&M account is due the completion of the Kaho'olawe site restoration. MilCon funding has been used for wastewater plants. In FY2004, expenditures include wastewater treatment facilities at Camp Pendleton, California. MilCon in FY2005 includes water treatment projects planned for Camp Pendleton, San Diego, Guam and Diego Garcia. FY2006 MilCon includes a storm water project planned for San Diego and a wastewater treatment and distribution project at Camp Pendleton.

Figure 8
 Department of the Air Force Budget Summary
 Budget by Appropriation
 (Current \$000)



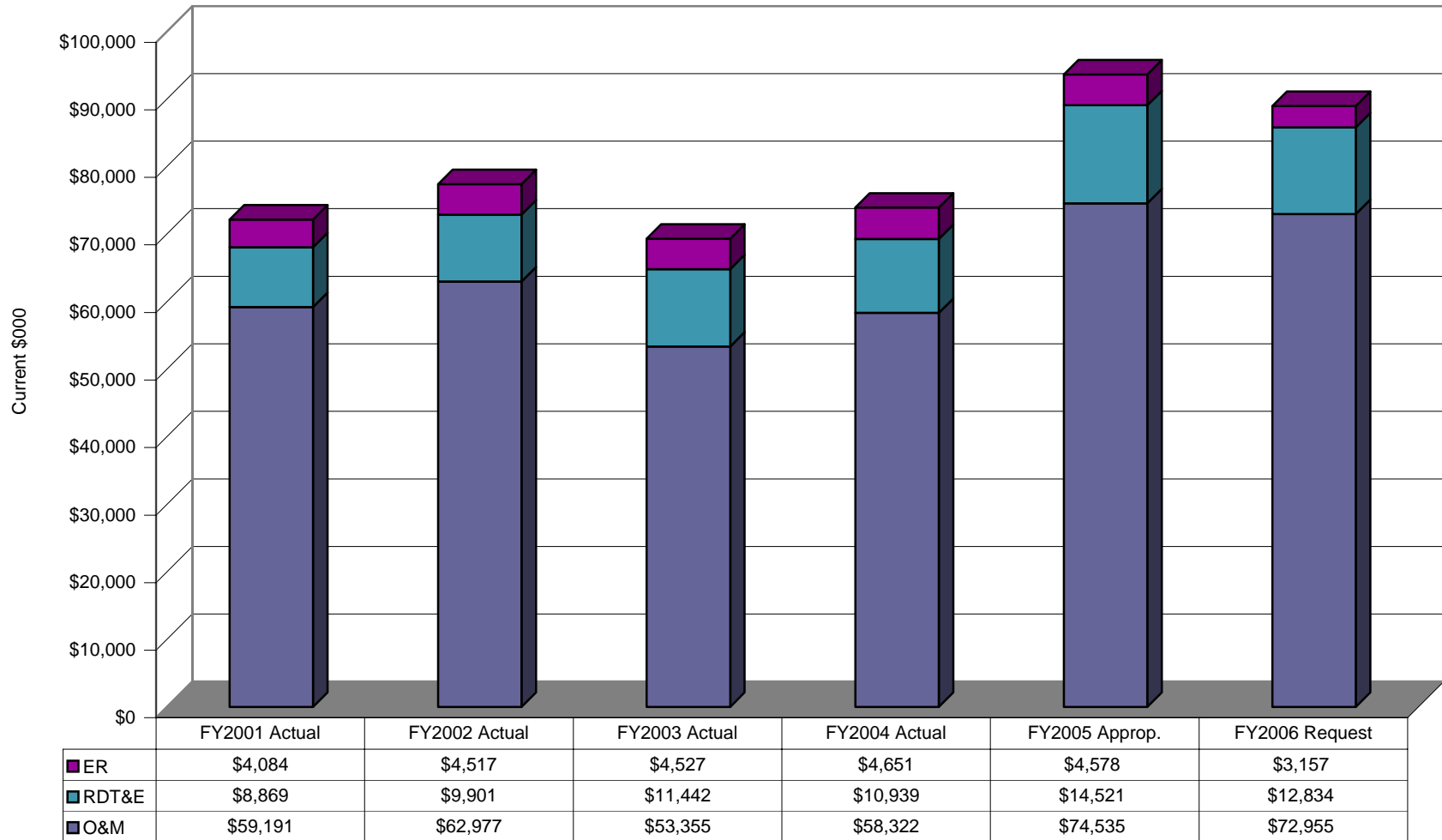
Budget by Appropriation: Noteworthy changes between the years are reflected in the MilCon O&M, and RDT&E appropriations. MilCon funding was higher in FY2003 due to the number of Class 1 requirements meeting the MilCon programming criteria. O&M was higher in FY2005 and FY2006 because of additional requirements generated as a result of implementation and enforcement of more stringent Final Governing Standards overseas. O&M was lower in FY2004 due to a \$19 million Congressional mark to Air Force Base Operating Support. Congressional action zeroed RDT&E in FY2002, although Congressional adds can occasionally appear (FY2003).

Figure 11
 Defense Logistics Agency Budget Summary
 Budget by Appropriation
 (Current \$000)



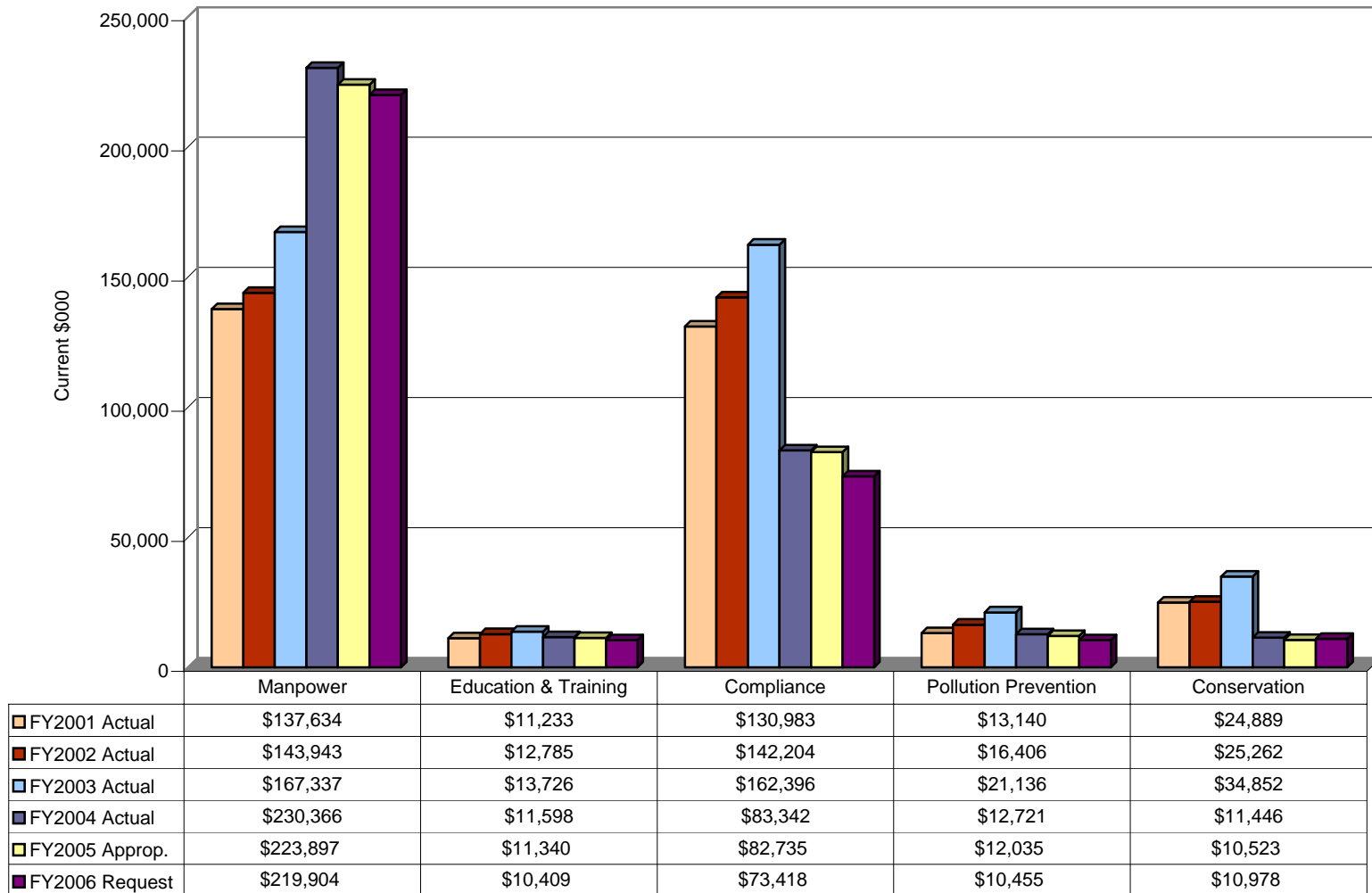
Budget by Appropriation: The large FY2001 DWCF appropriation was an error in reporting reimbursable waste disposal costs. The increase in the FY2005 budget is due to Defense Energy Support fuels MilCon projects, and the decrease in FY2006 is due to the absence of MilCon requirements.

Figure 10
Other Defense-Wide Programs Budget Summary
Budget by Appropriation
(Current \$000)



Budget by Appropriation: The fluctuations in the O&M appropriation in FY2005 are caused largely by the \$11.6 million appropriation for the Range and Environmental Protection Initiative. The FY2006 REPI initiative increases to \$20 million in FY2006, which is offset by the discontinuance of the \$10 million Congressional increase for NALEMP in the FY2006 request.

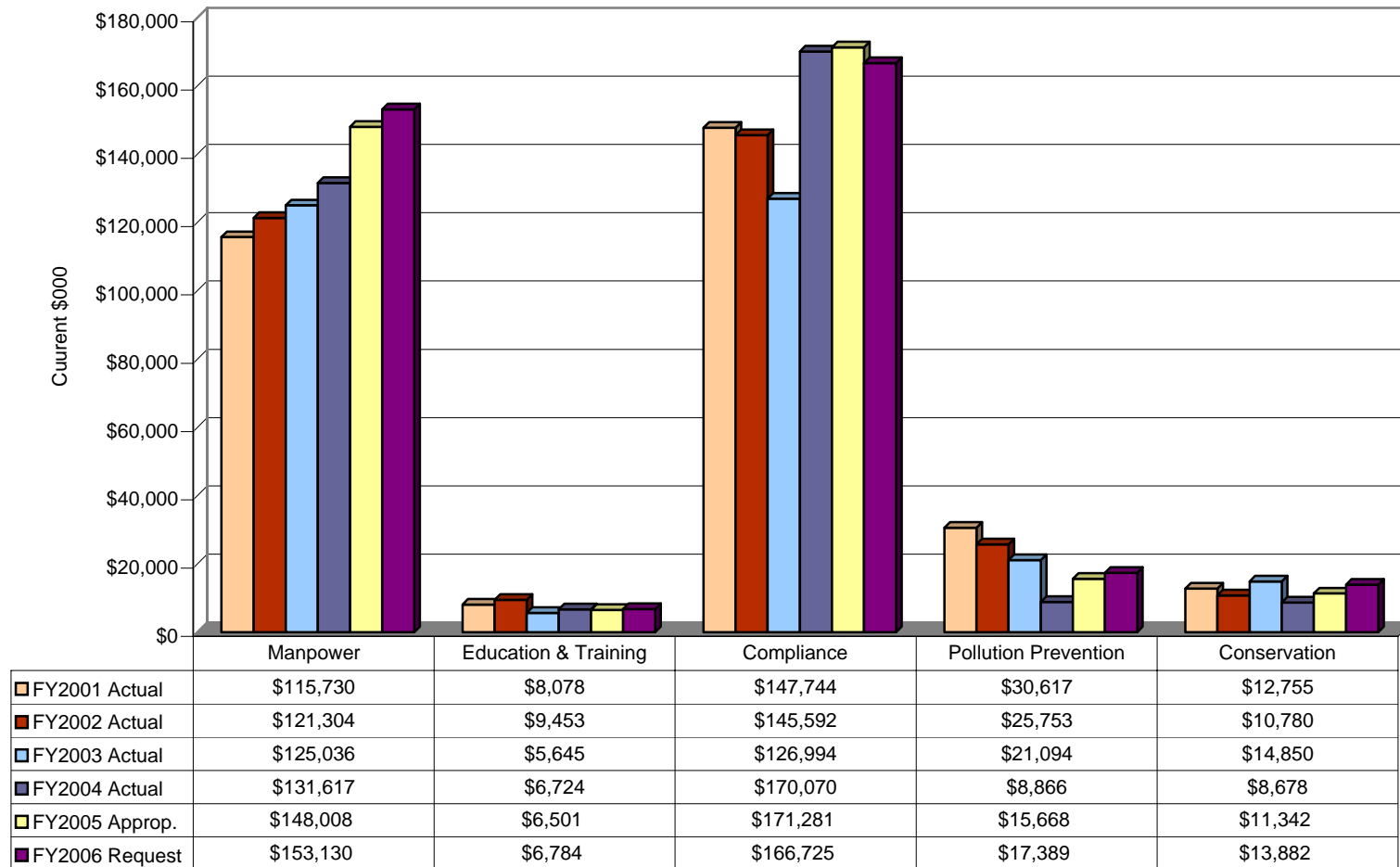
Figure 12
 Department of the Army Budget Summary
 Recurring Costs* (Current \$000)



*Environmental Restoration does not have Recurring Costs as defined by this chart. Program support costs are included in the Environmental Restoration Budget detailed in Appendix E.

Recurring Costs: The decrease in recurring costs is a result of consistent, standardized business practices under the Installation Management Agency versus the 14 Major Commands.

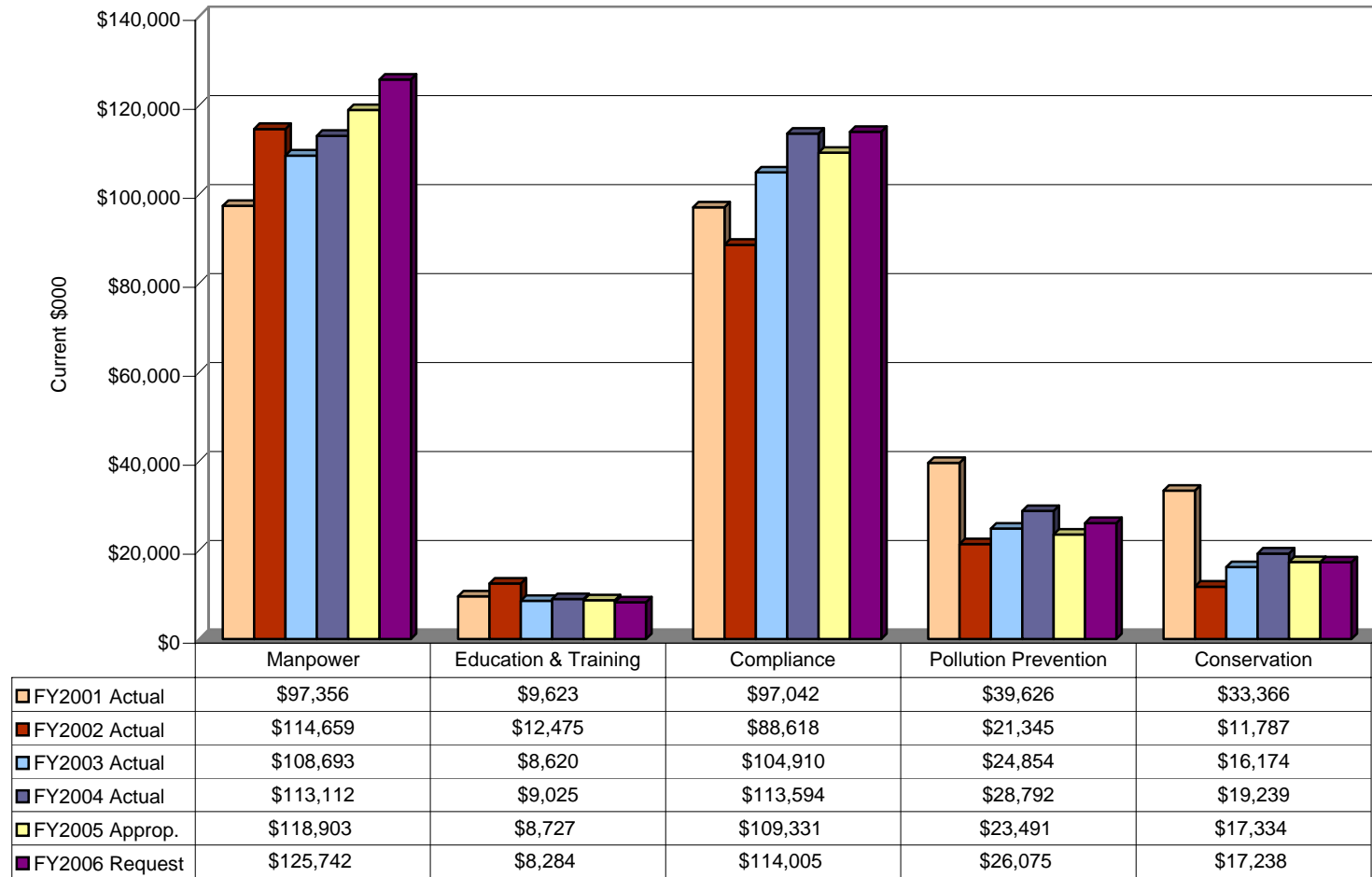
Figure 14
 Department of the Navy Budget Summary
 Recurring Costs* (Current \$000)



*Environmental Restoration does not have Recurring Costs as defined by this chart. Program support costs are included in the Environmental Restoration Budget detailed in Appendix E.

Recurring Costs: Recurring costs remain relatively steady across the six-year time frame. The small growth in manpower costs is primarily due to higher salary costs for all federal employees. Compliance recurring costs increase between FY2003 and FY2004 and continue into the outyears reflecting inclusion of environmental costs for range sustainment now being included in this category. FY2004 represents the first year in which these environmental range costs were tracked.

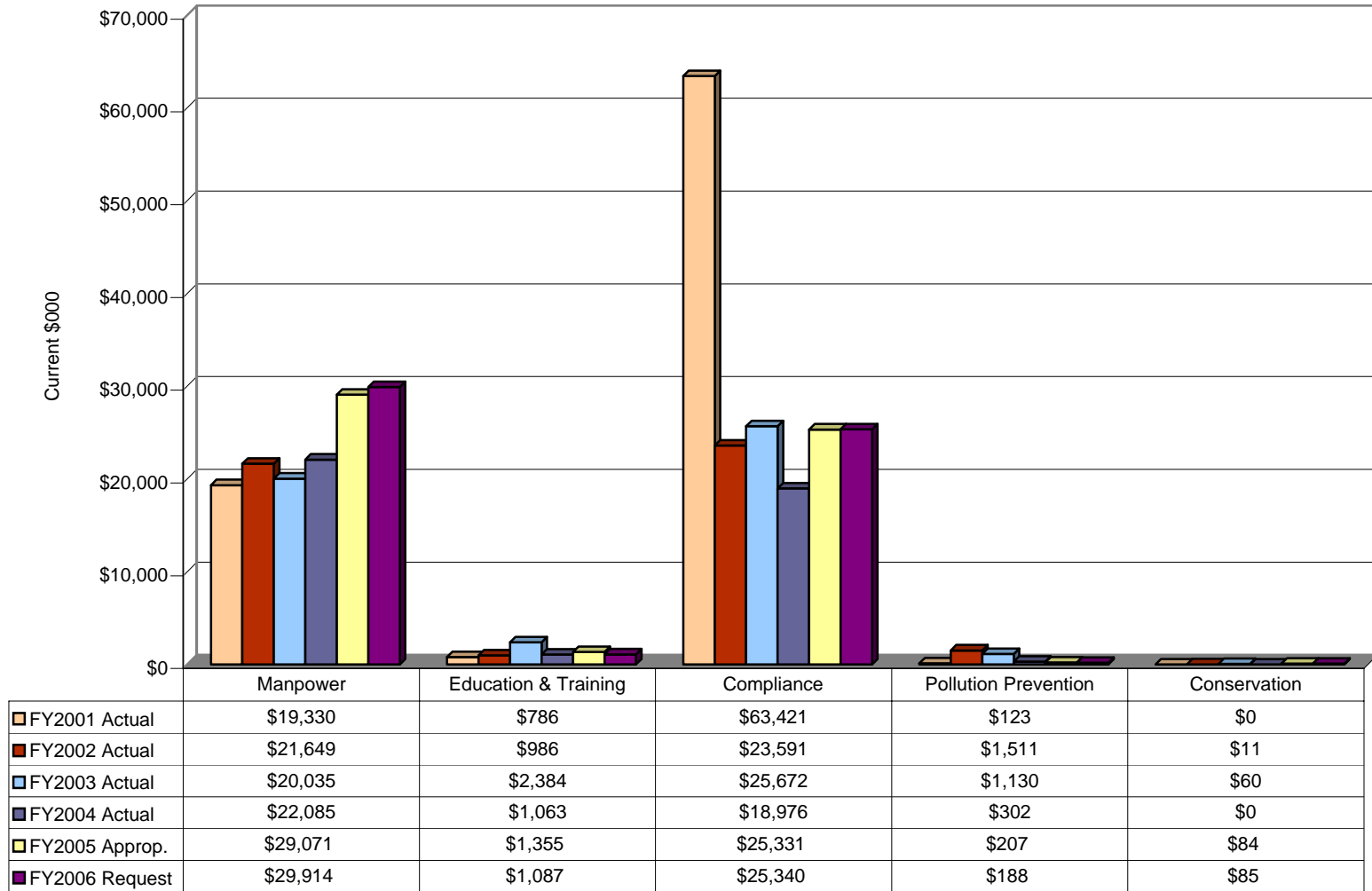
Figure 15
 Department of the Air Force Budget Summary
 Recurring Costs* (Current \$000)



*Environmental Restoration does not have Recurring Costs as defined by this chart. Program support costs are included in the Environmental Restoration Budget detailed in Appendix E.

Recurring Costs: Despite increasing regulatory requirements, non-manpower costs remain stable, reflecting Air Force emphasis on using pollution prevention investments to achieve and maintain compliance.

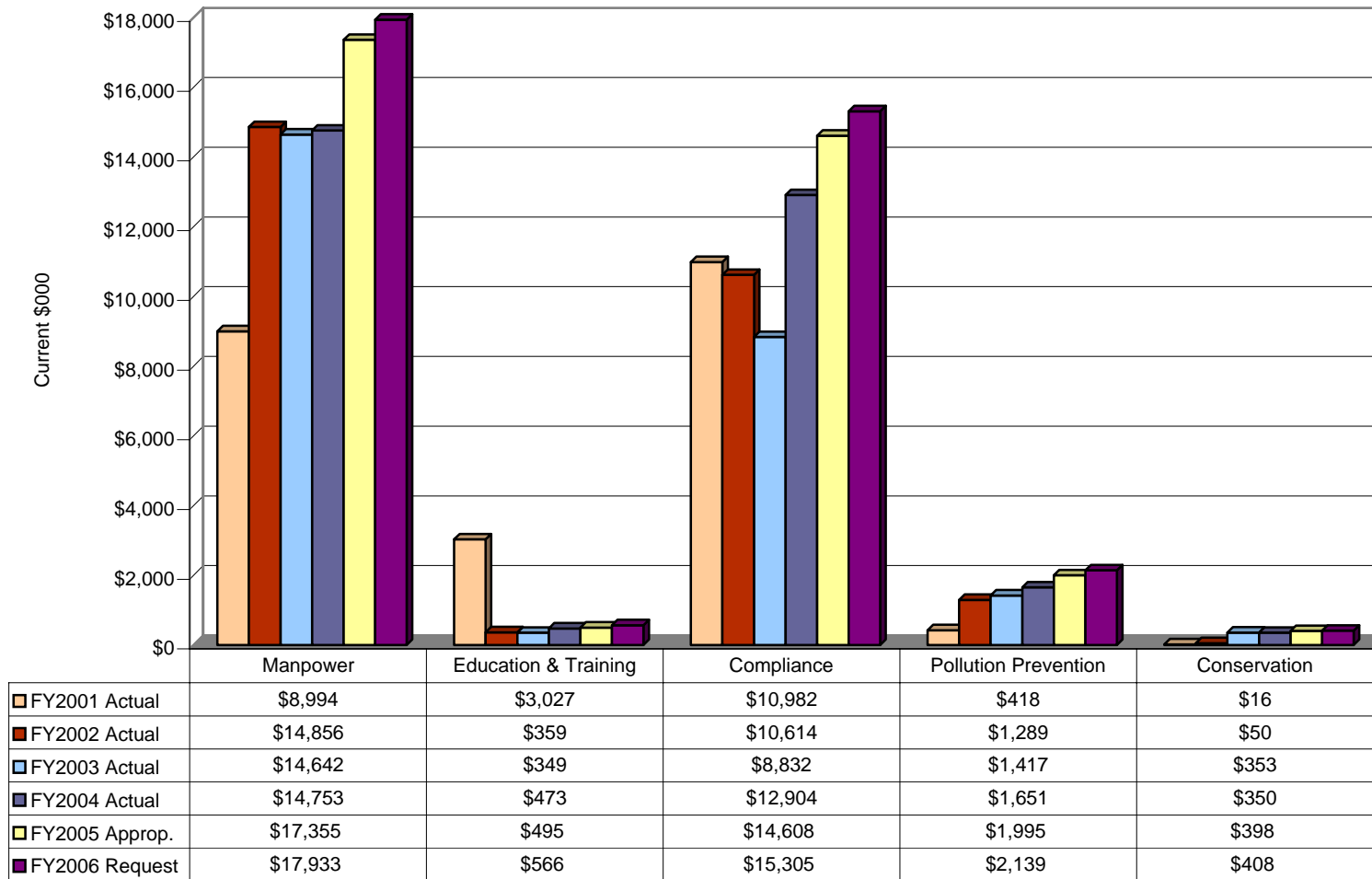
Figure 16
 Defense Logistics Agency Budget Summary
 Recurring Costs* (Current \$000)



*Environmental Restoration does not have Recurring Costs as defined by this chart. Program support costs are included in the Environmental Restoration Budget detailed in Appendix E.

Recurring Costs: The FY2001 Compliance spike reflects the erroneous reporting of reimbursable waste disposable costs.

Figure 17
 Other Defense-Wide Programs Budget Summary
 Recurring Costs* (Current \$000)



*Environmental Restoration does not have Recurring Costs as defined by this chart. Program support costs are included in the Environmental Restoration Budget detailed in Appendix E.

Recurring Costs: Recurring Costs are relatively stable for the other Defense-wide activities, with small increases in Compliance caused by fluctuations in waste disposal by the Defense Health Program and increased manpower costs.