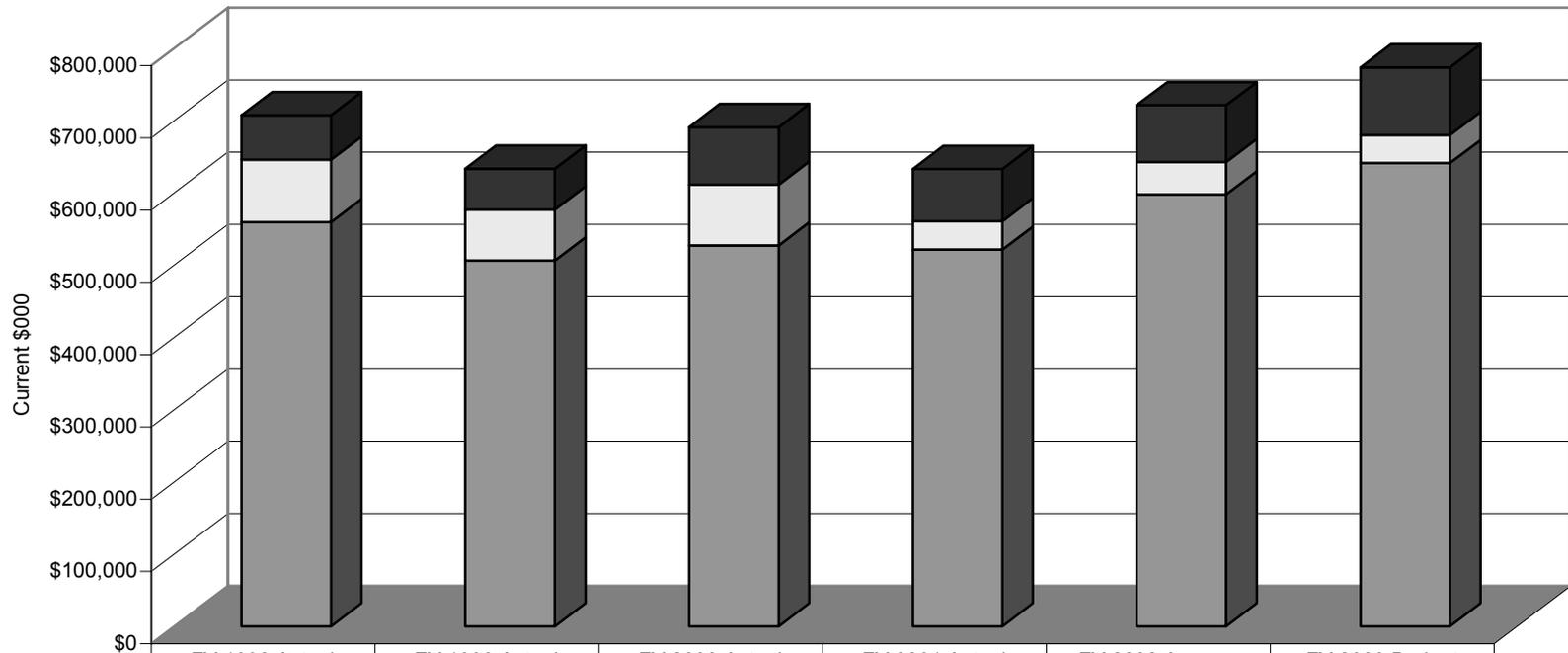


APPENDIX C
DEPARTMENT OF THE ARMY
BUDGET SUMMARY

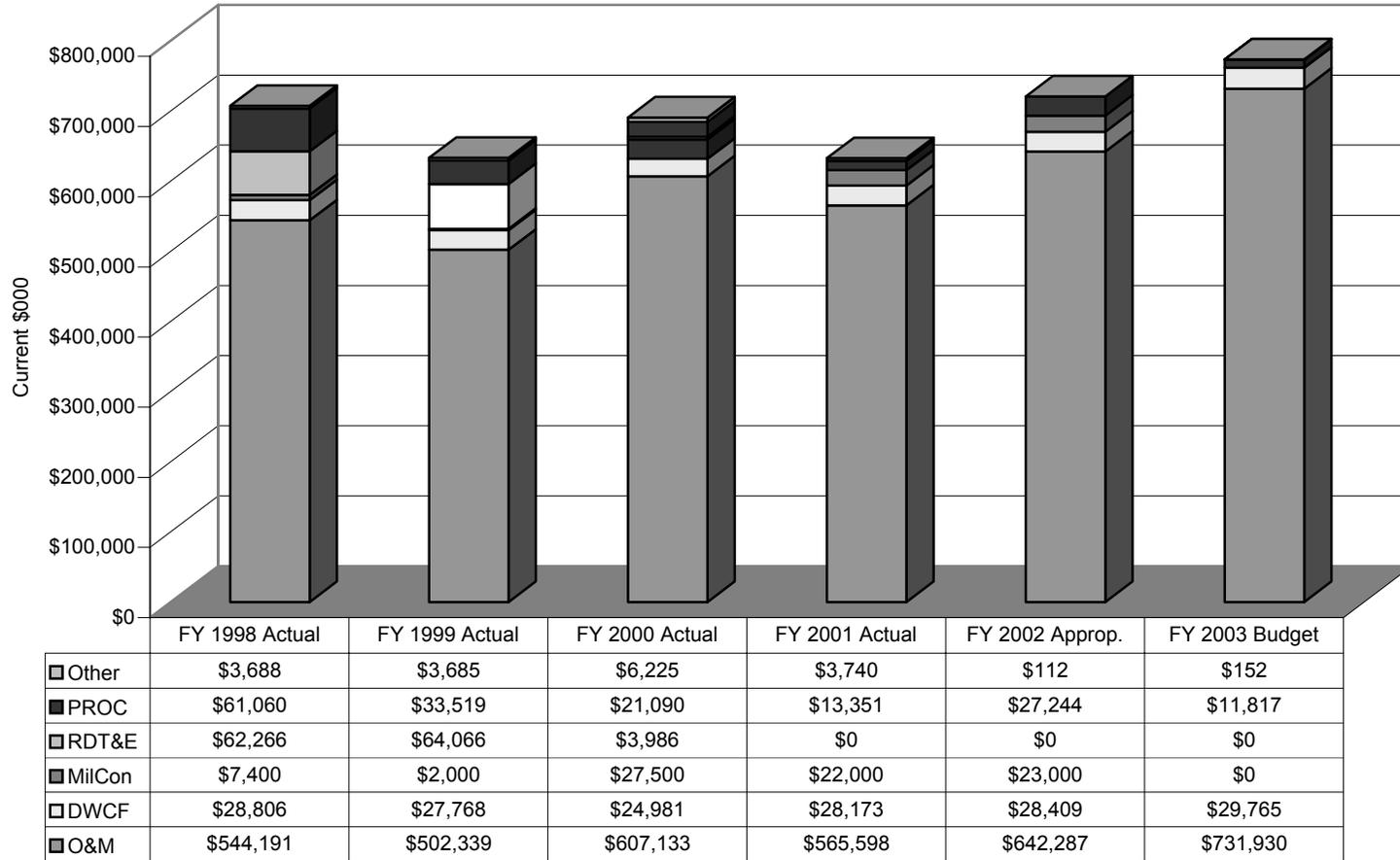
Figure 1
 Department of the Army Budget Summary
 EQ Budget by Area



	FY 1998 Actual	FY 1999 Actual	FY 2000 Actual	FY 2001 Actual	FY 2002 Approp.	FY 2003 Budget
■ Conservation	\$61,683	\$56,506	\$79,931	\$72,223	\$78,495	\$93,651
□ Pollution Prevention	\$86,251	\$70,501	\$83,962	\$39,391	\$45,022	\$39,082
■ Compliance	\$559,477	\$506,370	\$527,022	\$521,248	\$597,535	\$640,931

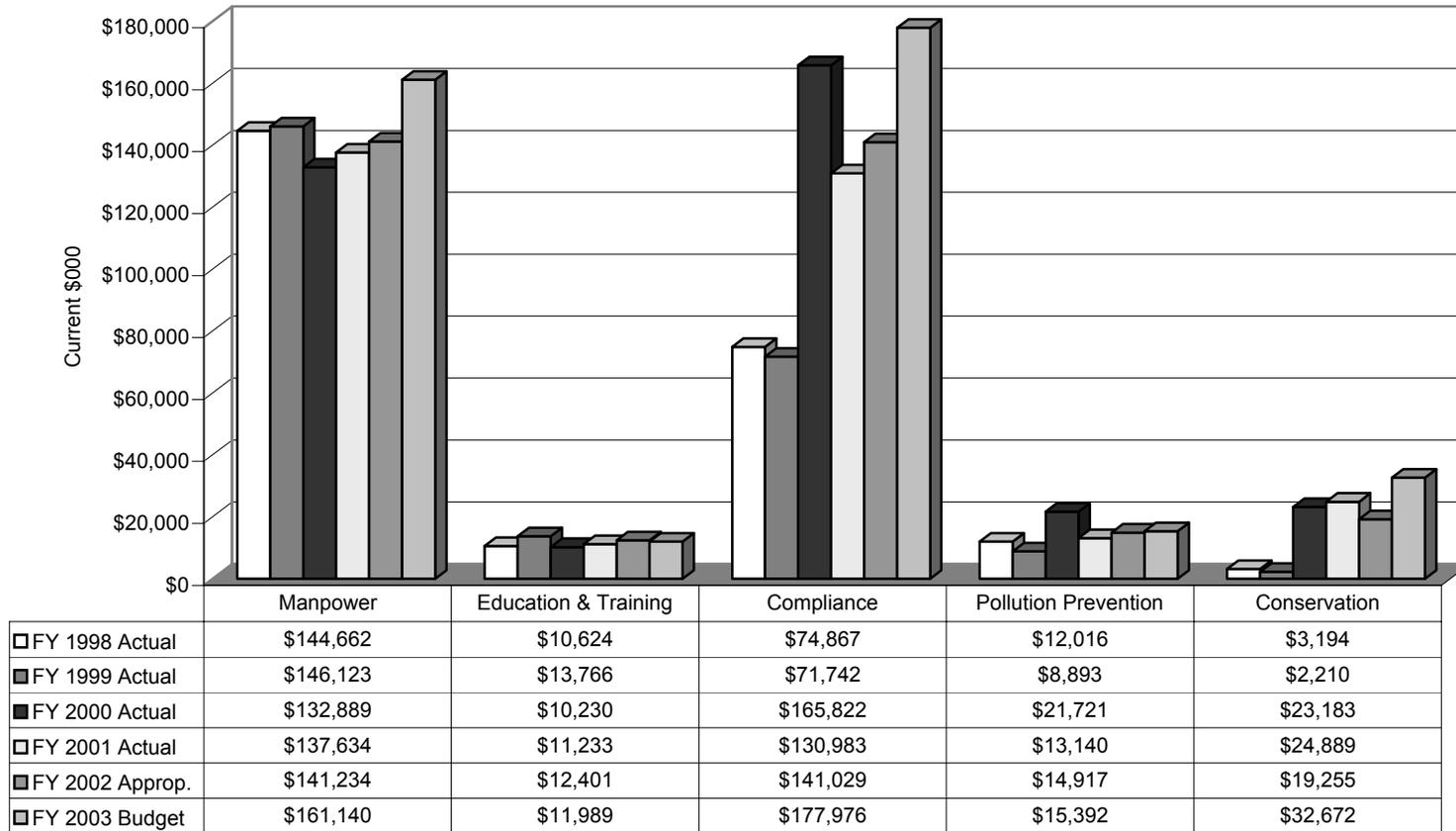
EQ Budget by Area: The Army’s EQ budget increases by 8% over the 6-year period in the chart. Significant compliance budget increases in FY 2003 primarily reflect an Army leadership decision to increase funding for SDWA costs associated with the Massachusetts Military Reservation, and increasing manpower requirements as indicated via the Installation Status Report (ISR). The decrease in the pollution prevention budget is possible through innovative programs that centralize hazardous material management and selected pollution prevention projects that provide a high return on investment. The Conservation budget increases in FY 2003 are due to ESA requirements and ICRMPs/INRMPs. Overall, the Army’s EQ budget funds essential recurring and nonrecurring projects, program management, and training.

Figure 2
 Department of the Army Budget Summary
 EQ Budget by Appropriation



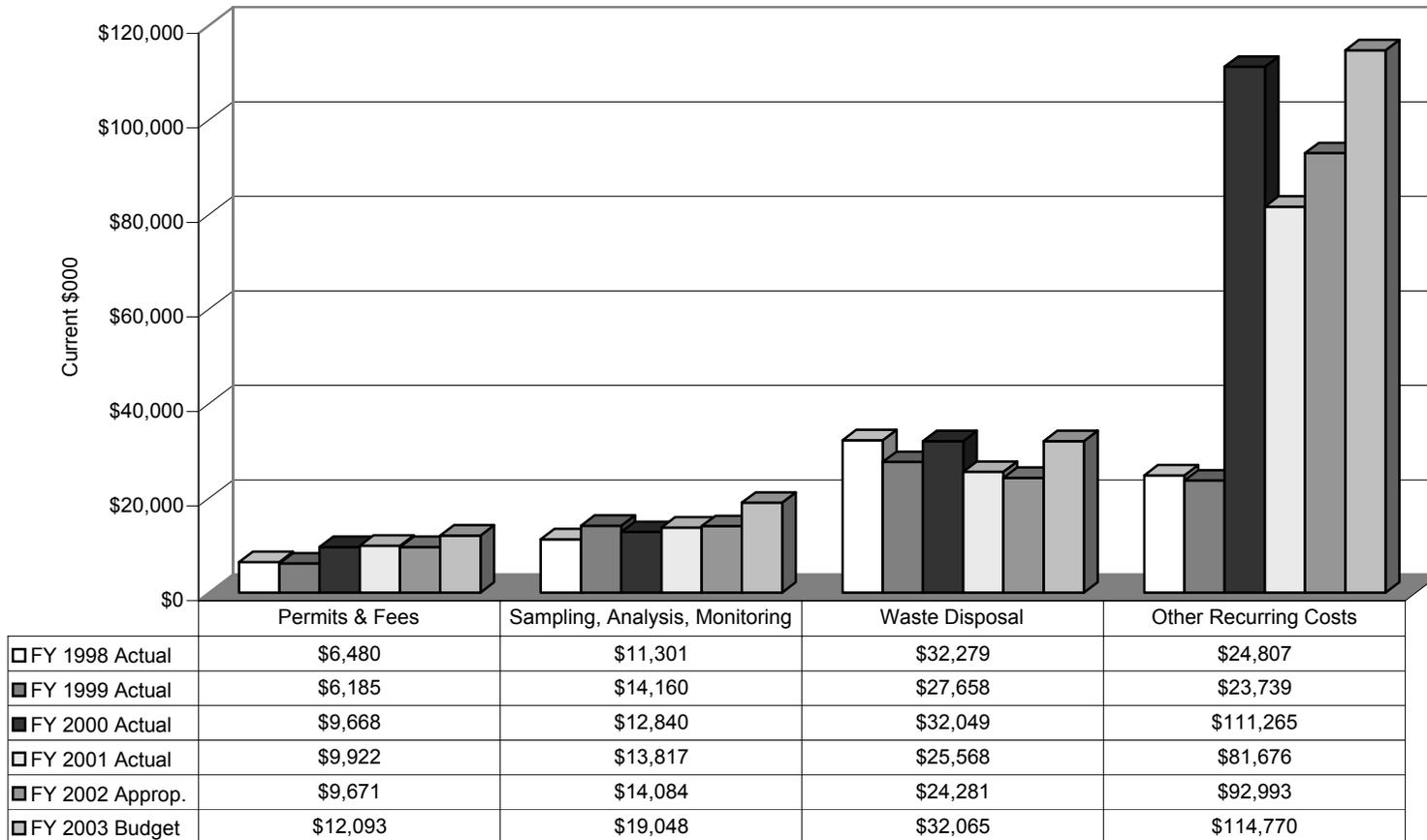
EQ Budget by Appropriation: The O&M funding increases by 34% over the 6-year period in the chart. The increase in O&M for FY 2003 reflects an Army leadership decision to increase funding for SDWA costs associated with the Massachusetts Military Reservation, and increasing manpower requirements as indicated via the ISR. MilCon and PROC costs are generally driven by relatively few, but large, nonrecurring projects that can fluctuate substantially from year to year.

Figure 3
 Department of the Army Budget Summary
 EQ Recurring Costs



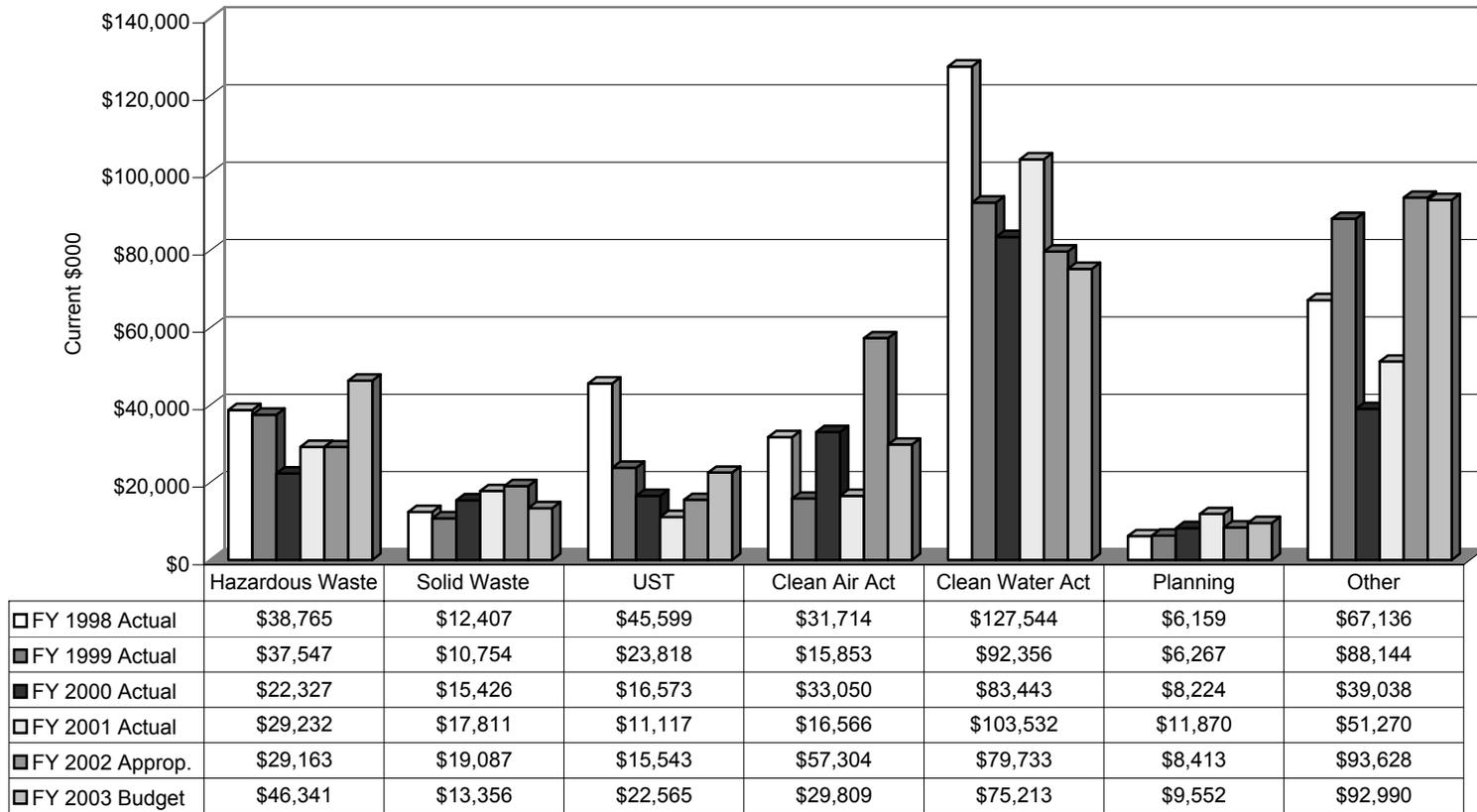
EQ Recurring Costs: Recurring costs account for an average of 45% of the total EQ costs from FY 1998 to FY 2003. Maintaining a professional staff and providing environmental training and education at all Army installations and headquarters accounts for approximately 51% of the recurring costs. The remaining recurring costs include routine operations at numerous facilities, such as issuing permits; sampling and monitoring; developing management plans and emissions inventories; disposing of hazardous waste; materials, equipment, and supplies; and contractor support for program management. The major increase in manpower funding in FY 2003 addresses a shortfall in adequate manpower for program management identified via the ISR, Environmental.

Figure 4
 Department of the Army Budget Summary
 Compliance Recurring



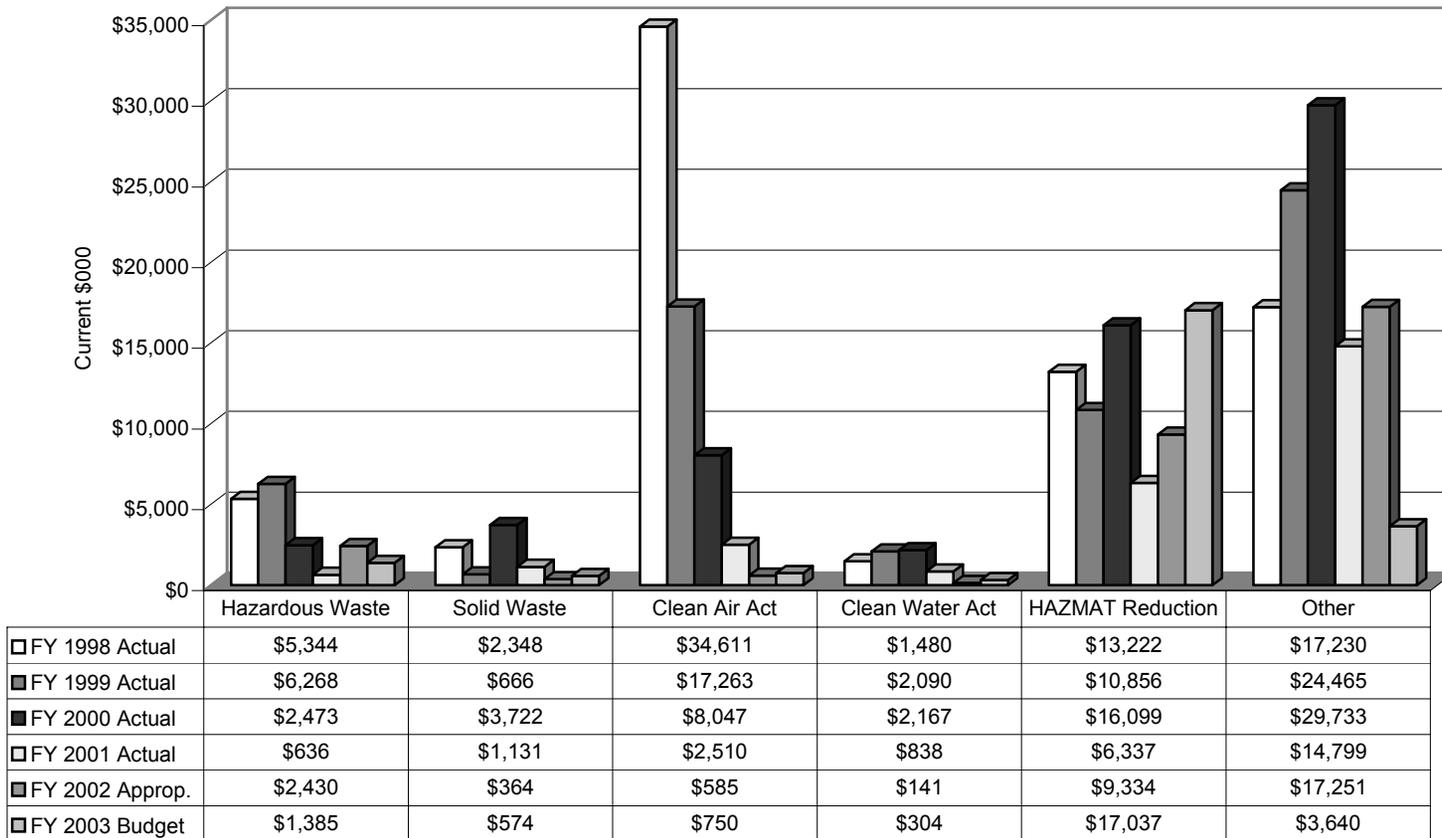
Compliance Recurring Costs: Recurring compliance costs increased by 26% from FY 2002 to FY 2003. Costs for permits, fees, sampling, analysis, and monitoring are increasing. As environmental regulatory requirements increase over time, the program management burden is increasing. In addition, many installations are still in the process of obtaining Title V permits under the CAA. The increase in waste disposal is due to one-time increases of disposal requirements for hazardous wastes at industrial facilities and/or to munitions disposal.

Figure 5
 Department of the Army Budget Summary
 Compliance Nonrecurring



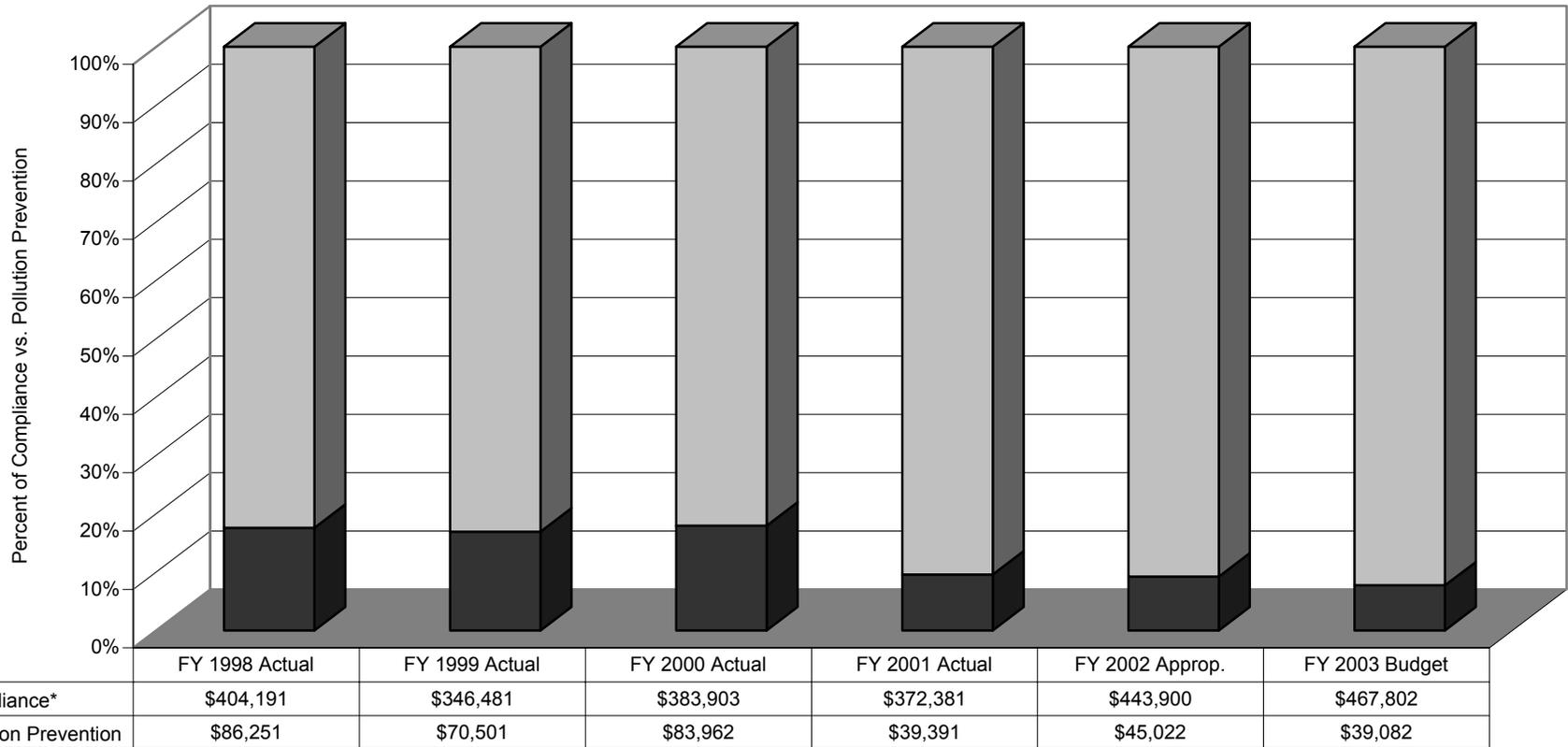
Compliance Nonrecurring Costs: Compliance nonrecurring costs decreased by 4% from FY 2002 to FY 2003. Increases in the hazardous waste category are due to a significant increase in RCRA corrective actions in FY 2003. The decrease in solid waste is due to decrease in requirements related to closures or corrective actions at solid waste landfills. Increases in UST projects are largely related to increased costs for UST remediation, replacement, closure, and upgrades. The CAA decrease is related to the execution of projects related to the National Emission Standards for Hazardous Air Pollutants (NESHAPs) in FY 2002, and a \$23 million MilCon project for FY 2002 with no CAA MilCon projects in FY 2003.

Figure 6
 Department of the Army Budget Summary
 Pollution Prevention Nonrecurring



Pollution Prevention Nonrecurring Costs: Pollution prevention nonrecurring costs decreased 68% from FY 1998 through FY 2003. A shift in funds from nonrecurring to recurring enabled centralized funding of cost-effective, high-return pollution prevention investments. Pollution prevention funding from FY 1998 through FY 2003 allowed the Army to achieve and exceed the DoD goals for toxic chemical releases, solid waste reduction, and solid waste recycling. The Army continues to fund centralized hazardous material management at the installation level, to emphasize pollution prevention as the preferred approach to achieving environmental compliance, and to make pollution prevention an integral part of business in all mission areas.

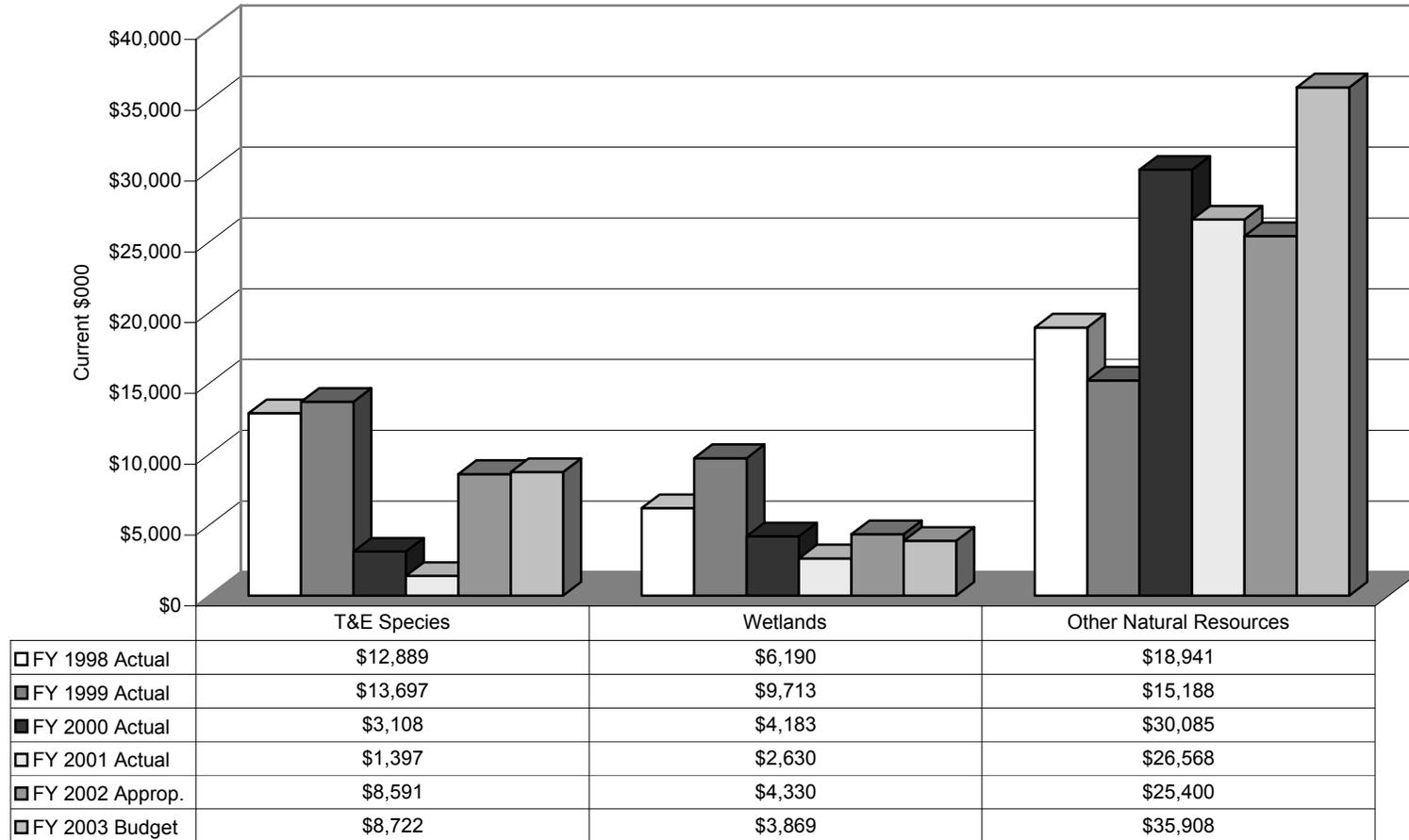
Figure 7
 Department of the Army Budget Summary
 Pollution Prevention vs. Compliance



* Compliance totals do not include Manpower and Education & Training.

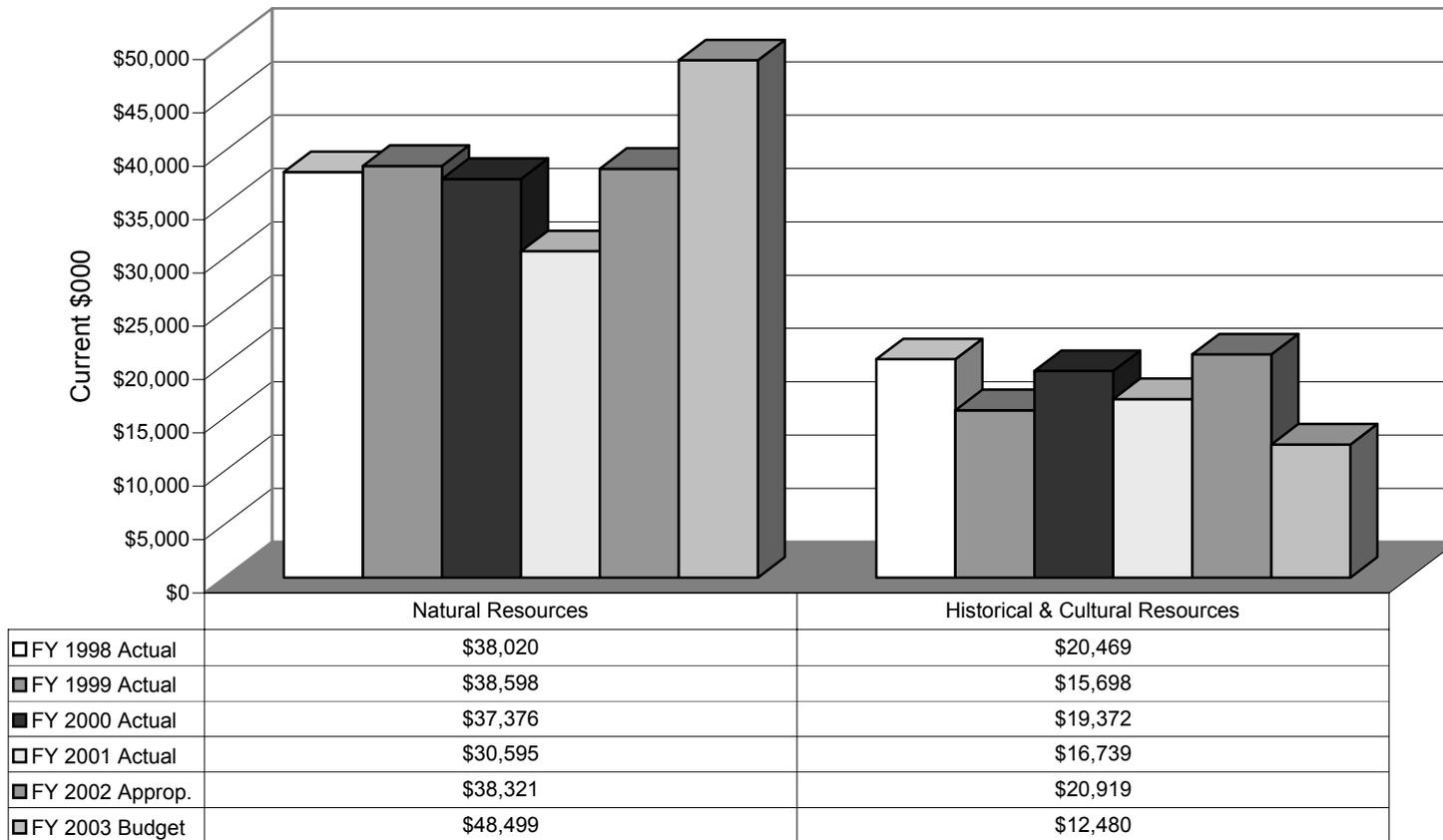
Pollution Prevention vs. Compliance: The ratio of the pollution prevention to the compliance budget averages approximately 15% over the 6-year period in the chart. Efforts to seek greater efficiencies through innovative pollution prevention programs that centralize hazardous materials management at installations and fund projects that provide a high return on investment will allow the Army to advance the program goal to maximize pollution prevention as the preferred means to achieve compliance.

Figure 8
 Department of the Army Budget Summary
 Natural Resource Investment by Category



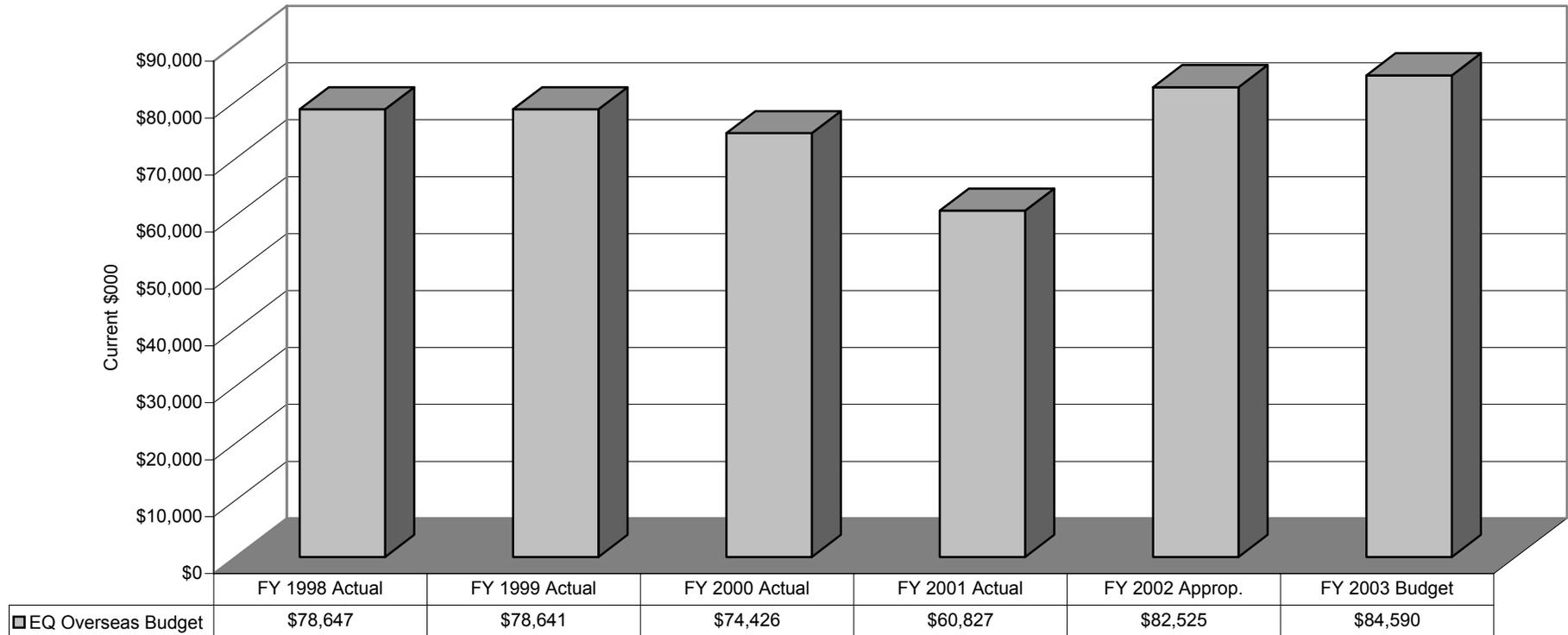
Natural Resource Investment by Category: Threatened and endangered species and wetlands compliance nonrecurring costs remain relatively stable from FY 2002 to FY 2003. The increase in the category "Other Natural Resources" includes costs for executing INRMPs and funding needed to comply with the ESA, CWA, and Sikes Act.

Figure 9
 Department of the Army Budget Summary
 Natural Resources vs. Historical and Cultural Resources



Natural Resources vs. Historical and Cultural Resources: The natural resources category is increasing primarily to rehabilitate land impacted by Army training missions as directed by the Sikes Act, via INRMPs/ICRMPs. The decrease in historical and cultural resources is due the one time increase in FY 2002 to fund installations' push to inventory historic properties to incorporate the information in the ICRMPs.

Figure 10
 Department of the Army Budget Summary
 EQ Overseas Budget



EQ Overseas Budget: Budgeting for overseas EQ Program costs in Europe, Korea, Japan, and Kwajalein Atoll averages approximately \$76 million from FY 1998 to FY 2003. The budget supports minimum essential EQ Program requirements at U.S. installations in these countries necessary to comply with international agreements and FGS. The majority of the costs are associated with FGS compliance requirements. The decrease in the budget from FY 1999 to FY 2000 is partially due to the end of funding for Panama after FY 1999. The decrease in funding from FY 2000 to FY 2001 is partly attributable to a decrease based on upward currency fluctuation in Europe. Increases in FY 2002 are largely related to increased costs to address the repair and replacement of leaking and failing underground storage tank systems in Korea, upgrading CWA systems to address more stringent requirements and systems that have begun to degrade, and other nonrecurring requirements. Overseas costs remained relatively stable from FY 2002 to FY 2003. Only 7% of funding from FY 2000 to FY 2003 is associated with cleanup costs.

