



U.S. Environmental Protection Agency



Fiscal Year 2002 Annual Report

MISSION

*The mission of the Environmental Protection Agency
is to protect human health and the environment.*

EPA's purpose is to ensure that:

All Americans are protected from significant risks to human health and the environment where they live, learn, and work.

National efforts to reduce environmental risk are based on the best available scientific information.

Federal laws protecting human health and the environment are enforced fairly and effectively.

Environmental protection is an integral consideration in U.S. policies concerning natural resources, human health, economic growth, energy, transportation, agriculture, industry, and international trade; and these factors are similarly considered in establishing environmental policy.

All parts of society—communities, individuals, business, state and local governments, tribal governments—have access to accurate information sufficient to effectively participate in managing human health and environmental risks.

Environmental protection contributes to making our communities and ecosystems diverse, sustainable, and economically productive.

The United States plays a leadership role in working with other nations to protect the global environment.

STRATEGIC GOALS

September 2000 Strategic Plan

1. Clean Air
2. Clean and Safe Water
3. Safe Food
4. Preventing Pollution and Reducing Risk in Communities, Homes, Workplaces, and Ecosystems
5. Better Waste Management, Restoration of Contaminated Waste Sites, and Emergency Response
6. Reduction of Global and Cross-Border Environmental Risks
7. Quality Environmental Information
8. Sound Science, Improved Understanding of Environmental Risk, and Greater Innovation to Address Environmental Problems
9. A Credible Deterrent to Pollution and Greater Compliance with the Law
10. Effective Management

MESSAGE FROM THE ADMINISTRATOR

I am pleased to provide the Environmental Protection Agency's FY 2002 Annual Report, which conveys a comprehensive view of the Agency's program and financial performance over the past fiscal year. I believe that the Congress and the American public will find this report helpful in assessing the Agency's success in protecting human health and the environment and in using taxpayer dollars wisely and effectively in this pursuit.

Much of the progress described in the report is a direct result of contributions by our federal, state, local, and tribal partners. Under the Clean Air Act, EPA and its partners continue to make important progress in reducing air pollution and protecting Americans—particularly children, the elderly, and people with respiratory ailments—from airborne health risks. Similarly, under the Clean Water Act and the Safe Drinking Water Act, the Agency and its partners have helped to restore and protect watersheds and aquatic ecosystems and to move us closer to our goal that all Americans have drinking water that is clean and safe to drink. Continued Superfund site cleanup and the job training and employment opportunities associated with Brownfields redevelopment have demonstrated the economic benefits of environmental improvement.

In the aftermath of the attacks of September 11, 2001, the anthrax outbreaks, and in light of continuing terrorist threats, I am proud of this Agency's efforts to meet its homeland security responsibilities, including improving our ability to respond to potential chemical and biological incidents and to promote the safety of our public water systems and of the chemical industry. Our EPA Homeland Security Strategic Plan, released in October, will guide our efforts in the years ahead. We look forward to working closely with the newly-created Department of Homeland Security in meeting our shared homeland security responsibilities.

Internationally, under EPA leadership, a renewed program along the United States-Mexico border is taking shape to improve the quality of drinking water and the level of food safety, particularly among young children. As an outgrowth of this summer's World Summit on Sustainable Development in Johannesburg, South Africa, EPA is leading the development of children's environmental health indicators and efforts to reduce levels worldwide of indoor air pollution and lead and sulfur emissions from vehicle fuels.

In FY 2002 EPA made significant progress toward accomplishing the government-wide reforms of the President's Management Agenda. The Agency continues to be a leader in the area of e-government—modernizing and streamlining our administrative systems and actively participating in 14 of the federal government's e-gov projects to improve service efficiency and expand public access. EPA is revising the Agency's Strategic Plan and structuring it around fewer more outcome-oriented environmental goals that we feel will be more meaningful to the public and Congress. EPA's efforts to integrate our Strategic Plan and environmental performance with the Agency's budget process and workforce planning will enable us to make more informed policy decisions and ensure that Americans' tax dollars are well spent.

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In addition, the Agency is working to develop a comprehensive set of environmental indicators, so that we can improve our understanding of current environmental conditions and ensure that environmental policy is producing measurable improvements in the condition of the environment. We will release the findings later this year in a draft report on the state of the environment.

As we look to the future, I want to thank the American people for their unwavering support of environmental protection. It is to them that we are ultimately accountable, and I know that by working together, we are certain to accomplish our goal of cleaner air, purer water, and better protected land for ourselves and for generations that follow.



Christine Todd Whitman
Administrator



MESSAGE FROM THE CHIEF FINANCIAL OFFICER

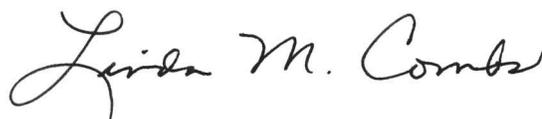
I am pleased to present to you EPA's Annual Report for FY 2002, a year in which the Agency accomplished much in protecting the environment and human health, and in managing public resources effectively and efficiently. This was a special year for all of us. We sustained all of the Agency's ongoing environmental protection efforts for cleaner air, purer water, and better protected land. At the same time, we were called upon to respond to new and complex challenges, including follow-up to the September 11 attacks and to multiple incidents of anthrax contamination. In FY 2002 EPA was also in the vanguard of support for the government-wide reforms outlined in the President's Management Agenda.

As a consolidated annual report, this document is designed to provide information about EPA's performance—what the Agency planned to work on in the past year, and the results of the work we did—along with our audited annual financial statements. We aim to produce a report of useful information for the American people as well as for our partners and stakeholders in state and tribal governments, other federal agencies, Congress and OMB, industry, and the environmental community.

This report itself exemplifies one of our most distinguished achievements. EPA has been described as a leader among federal agencies for integrating our planning and budgeting processes with information about our performance. Most recently, the Agency was honored by the President as one of seven finalists government-wide for the President's Quality Award for budget and performance integration. Thanks to the efforts of many across EPA, we have achieved more rational approaches to planning and budgeting; clearer strategic direction for the Agency; and annual reports that merit clean audit opinions and commendations for transparency—all of which place EPA in the forefront of government reform.

As always, we welcome your suggestions for ways to make EPA's Annual Report for FY 2003 more informative and interesting. We invite you to send comments by postal or electronic mail to the addresses provided on the back cover of this Report.

Thank you for your continuing interest in our work and your support for a clean environment and good health for all Americans.



Linda M. Combs
Chief Financial Officer



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EPA'S FY 2002 ANNUAL REPORT

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