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BUSH BUDGET THREATENS AMERICA'S ENVIRONMENTAL SECURITY

“It’s clearly a budget,” President Bush once said, “it’s got a lot of numbers in it.”¹ The problem is there just aren’t nearly enough numbers in the president’s FY 2006 budget to cover important domestic programs. That’s certainly the case with environmental protection, where draconian spending cuts hurt all Americans who prefer to breathe healthy air, drink clean water, treasure our natural heritage and enjoy wildlife. And, unlike Social Security, which the president has marked for urgent action, the time to ensure our environmental security is now.

Securing environmental protection in America is critical to our nation’s well-being. Indeed, our environmental security forms the basis of policies that protect public health, manage natural resources to ensure our nation’s long-term wealth, and foster America’s energy independence.

While the administration proposes reducing domestic discretionary spending for all federal programs (excluding defense and homeland security) by less than one percent, environmental funding is targeted for a punishing 10.4 percent cut. Whacking environmental funding by \$3.3 billion – down from \$31.3 billion in the last budget to just \$28 billion – represents the largest cut in environmental protection ever proposed by this White House.

The proposed cuts spread the pain widely across a range of environmental programs, including:

- The Environmental Protection Agency’s clean water projects (-\$700 million);
- Land conservation, including the Land and Water Conservation Fund (-\$1.1 billion);
- Ocean and coastline restoration, under the National Oceanic and Atmospheric Administration (-\$333 million);
- Amtrak, with funding zeroed out despite serving 23 million Americans a year in 47 states; and
- The Arctic National Wildlife Refuge, where drilling is based on dubious accounting gimmicks.

¹ Reuters, May 5, 2000.

Environmental Warning Signs

Why is federal environmental spending being targeted for debilitating cuts? The excuse offered by Bush officials is that our nation's air and water are cleaner, leaving no need to continue investing so much in environmental protection. In reality, the need to reduce pollution and damage to our natural resources is greater than ever. Consider the following downward trends:

- The most recent data of surveyed streams and lakes shows that the number of polluted water bodies nationwide has increased to 45 percent, according to EPA²;
- EPA also acknowledges that 159 million Americans live in places with air that is unhealthy to breathe (up from EPA's estimate of 117 million people in 2000)³;
- The most recent EPA toxic release inventory documented a five percent increase in industrial toxic releases into air, land, and water, reversing years of decline⁴; and
- The latest report from the American Farmland Trust documents an astounding loss of 6 million acres of farmland over a five-year period.⁵

What follows is a summary of some of the most significant environmental budget cuts proposed by President Bush for FY 2006⁶:

ENVIRONMENTAL PROTECTION AGENCY

Yet again, the EPA is a principal victim of the administration's budgetary meat ax. The overall funding request this time is \$7.5 billion, roughly half-a-billion dollars less than last year's enacted level – a 5.6 percent overall reduction. While the new budget would slightly increase funding for operating programs, this positive development is dwarfed by whopping cuts in water quality protection programs.

Clean Water Funds Drying Up

By far, the deepest cuts at EPA affect water quality. This broad category of programs includes everything from sewage plants to pollution prevention. The funding drops to \$1.65 billion (compared to \$2.34 billion last year). That \$690 million shortfall represents nearly 30 percent of total water infrastructure investments. This follows, of course, cuts from FY 2004 levels, when Congress reduced clean water investments from \$2.6 billion to last year's \$2.34 billion.

² U.S. EPA's most recent national compilation of Clean Water Act 305(b) state reports is for reporting year 2000: <http://www.epa.gov/305b>.

³ See <http://lungaction.org/reports/stateoftheair2004.html>.

⁴ U.S. EPA Toxics Release Inventory (2002 Data Release): <http://www.epa.gov/triexplorer>.

⁵ See http://www.farmland.org/farmingontheedge/major_findings.htm.

⁶ Please Note: This document is a compilation of views from several different environmental organizations. However, not all of the groups work on all of the issues contained in this document. Therefore, the groups that contributed to this document do not necessarily have views on all of the programs discussed in it.

In all, this year's proposed budget cuts to clean water funding amount to a nearly 40 percent drop over the past two years – despite the fact that EPA says \$388 billion (or \$19.4 billion per year) is needed to solve the country's clean water problems.

The program hardest hit this year is the Clean Water State Revolving Fund (CWSRF), which provides states with low-interest loans to pay for sewage treatment plant upgrades. That important program is targeted for cuts totaling \$361 million – from last year's \$1.091 billion enacted level to only \$730 million in this budget. Meanwhile, the Safe Drinking Water Act State Revolving Fund, which supports construction of drinking water purification facilities, is in line for a slight increase – from \$843 million enacted last year to \$850 million. But that amount is still far below the program's annual needs.

Superfund: A Broken Trust (Fund)

Although there is a slight increase this year in requested Superfund program funding, it masks a dramatic reduction in the administration's requested remediation funding. The proposed budget requests \$82 million less than Congress appropriated last year for funding both short- and long-term cleanups. Thus, the administration has underfunded dozens of cleanups over the past two years, including sites where children play in yards contaminated with lead. In addition, since Superfund's dedicated funding source (the trust fund itself) is no longer viable, the program draws money away from all other EPA programs. The net result is that taxpayers are forced to foot the bill for the 3 out of 10 Superfund cleanups where there is no responsible party – leaving EPA no choice but to slow down toxic cleanups at other sites.

No Pride in LUST

The administration requested a mere \$73 million to fund the clean up of leaking underground storage tanks, one of the nation's most serious threats to groundwater supplies. The Leaking Underground Storage Tank (LUST) program took in \$265 million last year and has over \$2 billion in unused funds. After subtracting this year's budget request, the program still has \$195 million in new resources for FY 2006 that could fund over 1,500 new cleanups. Importantly, the pace of cleaning up leaking tanks declined by 22 percent in FY 2004 (from 18,518 in 2003 to 14,285 in 2004). The administration's failure to adequately use available resources for these much-needed cleanups is unacceptable, especially considering that over 50 percent of the nation relies on groundwater for drinking water (including 100 percent in many rural areas).

DEPARTMENT OF ENERGY: REINFORCING ENERGY DEPENDENCE

America deserves a clean, safe and affordable energy future, but the Bush administration's FY 2006 budget promises more of the same old, unbalanced approach that rewards polluting industries and forestalls true energy security. To this end, the administration proposes funding cuts for renewable energy, energy conservation, and even Amtrak – the very programs that offer the best hope of reducing our nation's dangerous dependence on oil. The new budget also proposes enormous subsidies to promote the nuclear power industry. The administration's proposal to eliminate funding

for oil and gas research and development, and its support for renewable energy and energy efficiency tax credits are laudable. But these moves stand in stark contrast to the president's continued calls for passage of a bloated energy bill that would hand over billions to the administration's favored energy interests.

Energy Conservation

The budget proposes significant cuts to energy efficiency and conservation programs, even though these technologies promise reductions in oil consumption while saving energy users money (at home, at work or at the gas pump). The budget proposes reducing overall energy conservation funding by \$21 million (2.5 percent). State energy programs, except weatherization grants, face a cumulative cut of \$10.8 million (3.5 percent). In addition, building technologies and industrial technologies face reductions of \$7.5 million (11.5 percent) and \$18.3 million (24.5 percent), respectively.

Renewable Energy

Renewable energy programs stand to lose \$26.7 million (7 percent) in the new budget. While the president calls for a more than 5 percent funding increase for his hydrogen-powered car project, the benefits of that program could take decades to materialize. Even then, hydrogen energy generation poses pollution problems of its own. Of most concern in this area, the president's budget would shortchange core renewable energy programs that would put America on an immediate path to energy independence. In particular, solar energy is targeted for a \$1.12 million (1.3 percent) cut and biomass energy would be slashed by \$30.5 million (37.7 percent).

Nuclear Energy: Yet More Subsidies

Nuclear power is a mature energy technology that poses serious concerns regarding safety, non-proliferation and dangerous radioactive and toxic waste. Yet the budget proposes substantial increases for programs whose goal is to build a new generation of commercial reactors. It provides \$56 million (or a 12.9 percent boost) to Nuclear Power 2010, a program dedicated to building new reactors by the year 2010. It funds the Generation IV program, which subsidizes the nuclear industry's efforts to build the next generation of nuclear reactors, at \$45 million (a 13.4 percent boost). It also funds a program to produce hydrogen from nuclear power at \$20 million (a whopping 124 percent increase). And the budget provides \$70 million (a 3.8 percent increase) for the Advanced Fuel Cycle Initiative, which increases the risk of proliferation by separating out plutonium while reprocessing spent nuclear fuel.

Nuclear Weapons, Not Nonproliferation

Without a doubt, the proposed budget favors nuclear rearmament over nuclear nonproliferation. The National Nuclear Security Administration's budget increases nuclear weapons spending to \$6.63 billion, far above the average Cold War level on comparable activities (and 34 percent greater than the level of spending on nuclear weapons in the administration's first budget). The new budget funds controversial nuclear weapons research projects such as the "Robust Nuclear Earth Penetrator" and enhanced readiness to resume underground nuclear test explosions – even though Congress cut those programs last year. The budget also proposes \$7.7 million for the design and siting

of a new “Modern Pit Facility” to manufacture new plutonium components for nuclear weapons. This duplicates a similar project already under construction at the Los Alamos Laboratory.

While NNSA’s Defense Nuclear Nonproliferation activities appear to receive a 15 percent (\$1.64 billion) increase, a further look reveals that 40 percent of the total nonproliferation request is for disposing of DOE’s *own* surplus weapon materials. This includes about \$400 million for the construction of a multi-billion dollar plutonium mixed-oxide fuel plant that is not technically required to dispose of surplus weapons materials, and which *itself* represents an environmental and proliferation hazard and a target for terrorist assault. In reality, only \$712 million (7.6 percent) of NNSA’s \$9.4 billion budget request supports bona-fide nuclear nonproliferation programs.

Nuke Waste Cover-up, Not Cleanup

The proposed budget’s nuclear waste cleanup funding does not meet DOE’s obligation to clean up the toxic legacy of the Cold War. The overall cleanup budget is reduced by nearly half a billion dollars. The Hanford Nuclear reservation was especially hard-hit as Washington’s high-level radioactive waste cleanup budget was cut by \$90 million (nearly one-quarter of the annual tank cleanup budget).

DEPARTMENT OF TRANSPORTATION

Amtrak Derailed

The new budget undermines energy and transportation investments that would reduce pollution while making our economy stronger. It proposes eliminating federal funding for Amtrak, the nation’s premier passenger rail service – literally telling American who ride the rails to “hit the highway.” Amtrak provides cost-effective transportation between distant cities without significant air service – with the added benefit of reducing oil consumption that otherwise might result from automobile and airplane travel.

Transit Stalled

The budget proposal also shortchanges transit within America’s cities by cutting \$300 million out of the Urbanized Area Formula and Fixed Guideway Modernization Programs. These popular programs finance the construction of new, energy-efficient transit such as clean buses and light rail lines.

ABANDONING AMERICA’S CONSERVATION VALUES

In good times and bad, America has always invested in the places and wildlife that make our country special. Unfortunately, with this budget the administration turns its back on our natural heritage, abandoning the nation’s commitment to critical conservation programs.

Arctic Drilling Yet Again

In a blatantly political move, the budget earmarks some revenues from drilling America’s Arctic National Wildlife Refuge for research into land conservation. Such cynical

schemes ignore the fact that every recent poll has shown the American people oppose drilling in the Arctic Refuge. For the administration to speculate on hypothetical revenues derived from an activity currently prohibited by law is the epitome of fiscal irresponsibility.

The Unfulfilled Promise of the Farm Bill

The budget contains a laudable proposal to limit environmentally harmful agricultural commodity subsidies, which currently support some of America's agribusiness giants, by capping payments at \$250,000 per farmer. Unfortunately, once again, the agricultural conservation programs – a critical component of the 2002 Farm Bill – bear the brunt of the administration's budget crunch. Despite the fact that these conservation programs provide meaningful benefits to both family farmers and the environment, in every year since passage of the 2002 Farm Bill, the administration failed to fully fund these programs (i.e., at the levels authorized in the Farm Bill). This year is no exception – the budget claims almost \$300 million in identified agricultural conservation “savings.”

Specifically, the proposed budget reduces the landmark Conservation Security Program, which supports farmers who implement and maintain effective stewardship practices on their working farm lands, substantially below the level authorized in the Farm Bill (a 58 percent decrease). Likewise, the Wildlife Habitat Incentives Program, which provides assistance to farmers improving and protecting wildlife habitat on their lands, gets slashed by 29 percent. The Environmental Quality Incentives Program, which provides technical assistance, cost-share/incentive funding to assist crop and livestock producers with environmental and conservation improvements on their farms and ranches, is cut by 17 percent. The Farm and Range Land Protection Program, which keeps working farms and ranches in production and puts cash in the pockets of farmers and ranchers, also suffers a 17 percent cut.

Losing the Land and Water Conservation Fund

The Land and Water Conservation Fund (LWCF) is our nation's premiere tool to create and preserve parks, forests, wildlife refuges and open space – and to ensure Americans can enjoy them. For the first time, the administration does not even try to claim that it is fulfilling the president's campaign promise to fully fund LWCF at \$900 million. And while the administration says its budget funds the program at \$680 million, in reality it provides only \$132 million for LWCF's real programs – funding federal land acquisition at \$130 million and eliminating stateside assistance. As it did last year, the budget then attempts to cloak this glaring shortfall by declaring more than a dozen other ongoing programs to be part of the LWCF. National treasures from the Everglades to our neighborhood parks will suffer from the resulting net loss in funds for expanding and consolidating parks, refuges and forests.

So Long, Conservation Trust Fund

This administration's mix of funding shortfalls and accounting distortions did not have to happen. In 2000, a bipartisan Congress enacted a roughly \$2 billion-per-year dedicated conservation funding mechanism called the Conservation Trust Fund. This fund was designed to ensure that, in good times and in bad, the country always had enough money

to meet our most important conservation, recreation, wildlife and preservation needs. But the administration's new budget abandons the Conservation Trust Fund mechanism, underfunding the lands and wildlife portion of its programs by nearly \$1 billion, with the result that, across the nation, our parks, forests, wild lands and wildlife will suffer.

National Parks Burdened By Bush's Broken Promise

The Bush budget cuts overall National Park Service funding for FY 2006 by 3 percent, due primarily to the proposed elimination of the popular and effective Land and Water Conservation Fund state grants and a reduction in federal land acquisition, which are vitally needed to better protect and enhance open space and parklands. While funding for operations of the National Park System increases by 3 percent over last year, it falls far short of what is required to protect park resources and provide visitor services – an additional \$600 million annually. With only a minor increase requested for Park Service construction and major maintenance, the budget again fails to meet President Bush's 2000 campaign pledge to eliminate the \$5 billion maintenance and protection backlog. To date, the administration has failed to meet that goal. In the meantime, the maintenance backlog is still estimated to be between \$4.1 and \$6.8 billion according to the GAO's most recent estimate.

Cutting Forests Down to Size

The budget for federal forests underscores the administration's support for resource extraction, while other important priorities such as community protection from wildfire, job creation from restoration, and wildlife management programs receive inadequate support. The Forest Service experiences an overall cut of 4 percent from last year's funding level, but the cuts fall in all the wrong places: programs that protect communities and create jobs in rural areas.

At the same time, the budget proposes an increase in wasteful spending: timber sales would receive a \$5 million increase while minerals and energy extraction receives an \$18 million increase. Since 85 percent of the lands at risk from wildfire are non-federal, fuel reduction resources should support state, tribal and local governments that focus on land in and immediately adjacent to communities. But state and local programs under the Forest Service and Bureau of Land Management only receive about \$65 million of the \$2.5 billion proposed in the National Fire Plan – that is less than 3 percent of the program's total funding. In addition the Economic Action Program, which creates restoration jobs in rural communities, faces elimination.

Fish and Wildlife Service: One Big Endangered Species

The U.S. Fish and Wildlife Service, with its important mission of preserving the unique wildlife and plant species found in America, receives a few small increases in this year's budget proposal. But these do not mitigate the budget's overall underfunding of our valuable and vulnerable national resources. Case in point: One of the agency's most important operating accounts – Endangered Species – is cut by 2 percent, and the recovery portion of the Endangered Species budget is cut by 8 percent (or \$5.6 million).

While the administration touts an increase to operations of the National Wildlife Refuge System, the devil is in the details: \$5 million of the increase merely restores last year's rescissions and \$7 million is allocated to the Secretary's "Cooperative Conservation Initiative," which is administered at the departmental level and does not address the Refuge System's most pressing operations needs. Some critically important wildlife-related grant programs, such as State Wildlife Grants and the Land Owner Incentive Program, do stand to receive much-needed increases – but the funding boost fails to overcome larger shortfalls in the agency's operating accounts.

Missed Opportunities for Landscape Conservation

For the fourth year, the budget makes no mention of funding for the National Landscape Conservation System, which comprises 26 million acres of the most pristine wild lands and waters under the stewardship of the Bureau of Land Management. The NLCS includes National Monuments, Conservation Areas, Wilderness, Wilderness Study Areas, Wild and Scenic Rivers, and National Scenic and Historic Trails – all places renowned for their wildlife, recreational opportunities, breathtaking landscapes, and cultural sites. Because the budget fails to address the NLCS, it is impossible to know how much funding is proposed to protect cultural resources, prevent vandalism, restore wildlife habitat, and manage off-road vehicle use – all growing problems. However, we know that since the inception of the NLCS in 2000 annual appropriations of \$38 to 42 million – about \$1.50 an acre – have never met the system's needs.

OCEANS AND COASTS

The United States controls the largest expanse of ocean of any nation in the world. Our oceans span 4.5 million square miles, an area 23 percent larger than the land area of the nation. Oceans and coasts provide tremendous economic and ecological benefits to communities from coast-to-coast. Two prominent national commissions, one appointed by President Bush in 2001, recently completed in depth analyses of our nation's ocean and coastal policies and set forth approximately 250 recommendations for improving oceans research, management and conservation. Both commissions recognized that our oceans are in crisis and that changes in how we use them require significant and immediate federal investments. Despite a strong consensus for building our investments in ocean science, management and protection, the proposed budget cuts funding for the National Oceanic and Atmospheric Administration by \$333 million (8.5 percent) from current enacted levels.

National Ocean Service: Less Service

The National Ocean Service is the primary federal agency working to protect and manage America's coastal waters and habitats. This year's budget proposes a debilitating cut of \$255 million (38 percent) from last year's enacted levels. The budget also eliminates grants to states to implement coastal nonpoint pollution programs and funding for the marine debris program. Other critical programs and activities jeopardized by a requested 38 percent reduction include coral reef management, coastal zone management grants, and national marine sanctuaries. This decrease jeopardizes all Americans who enjoy our beaches and coastal waters for swimming, boating, fishing and other recreation.

National Marine Fisheries Service: All Eyes on the Ocean

One third of the U.S. fisheries are overfished, according to the government's own standards and a majority of these already overfished fisheries continue to be fished unsustainably. Only 10 percent of all fish stocks managed by the National Marine Fisheries Service have been fully assessed by scientists and determined to be healthy. With unsustainable fishing practices that cause wasteful bycatch and habitat destruction, funding to improve data collection, protect and restore fish habitats, minimize bycatch, end overfishing, protect at-risk sea life, and enforce regulations is desperately needed to bring oceans and coastal communities back to health. Fortunately, the administration does propose welcome increases for improving fish population assessments, fishery observer programs, and enforcement. Unfortunately, the budget cuts overall funding for the National Marine Fisheries Service by \$95 million – a 12 percent reduction from last year's enacted levels.

Pacific Salmon: Return to the Wild

Pacific Northwest salmon are a vital part of that region's economy and an important part of our nation's history and commitment to native peoples. The Bush administration budget proposes \$571 million to fund the federal salmon plan for the Columbia and Snake rivers – a \$29 million decrease from last year's enacted level. Instead of attempting to restore Columbia and Snake river salmon to healthy, fishable levels, the administration allocates most funding to technological fixes at federal dams that are insufficient to reverse declining salmon populations. The budget also proposes \$90 million for assistance to states, tribes, and local governments to protect salmon runs through the Pacific Salmon Recovery Fund, which is a slight increase above last year's enacted levels. But this amount is \$10 million less than last year's budget request.

Coastal Conservation Trust Fund: Out of Sight, Out of Mind

The president's budget proposal fails fully fund the coastal portion of the Conservation Trust Fund, which was established in October 2000. The CSC is set to receive \$600 million in dedicated funding. However, the budget proposal requests only level funding – or cuts – to many of the fund's programs (instead of the increases expected by the CSC sponsors).

ARMY CORPS OF ENGINEERS: TWO STEPS FORWARD, ONE STEP BACK

One positive move the budget makes is to once again reduce funding for some of the most wasteful and environmentally harmful water projects funded by the U.S. Army Corps of Engineers. The budget reduces overall Corps funding from last year's level of \$4.7 billion to \$4.3 billion, primarily by cutting funding from the beach restoration program, the Grand Prairie Irrigation project and the Dallas Floodway. The budget also funds a handful of important ecosystem conservation Corps projects. Congress should go further by reducing funding for other harmful Corps projects and redirecting the funds toward programs that protect the environment.

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