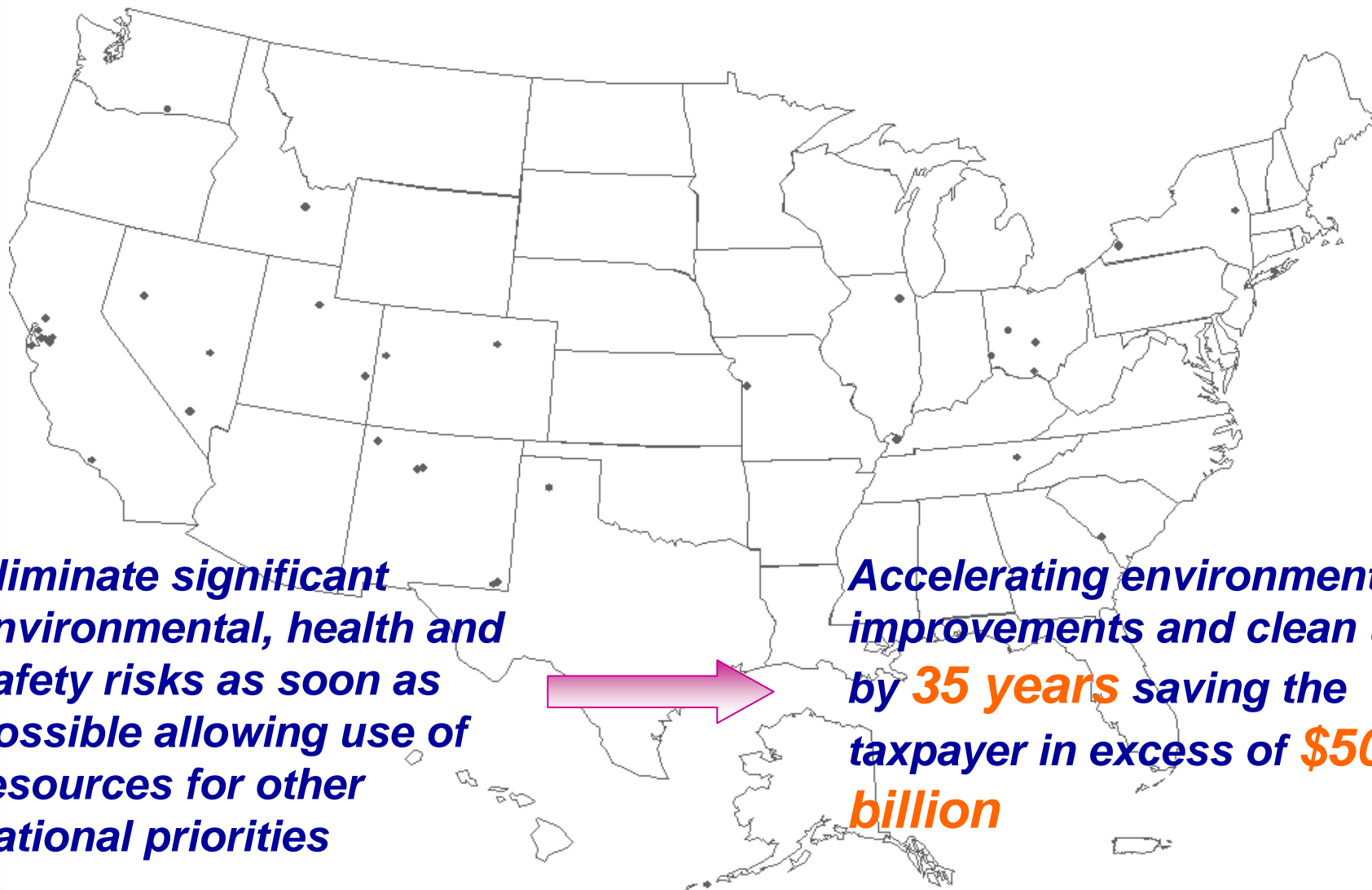


Environmental Management FY 2004 Budget Request

Roger Butler
Deputy Assistant Secretary for
Policy, Planning, and Budget



Vision



Eliminate significant environmental, health and safety risks as soon as possible allowing use of resources for other national priorities

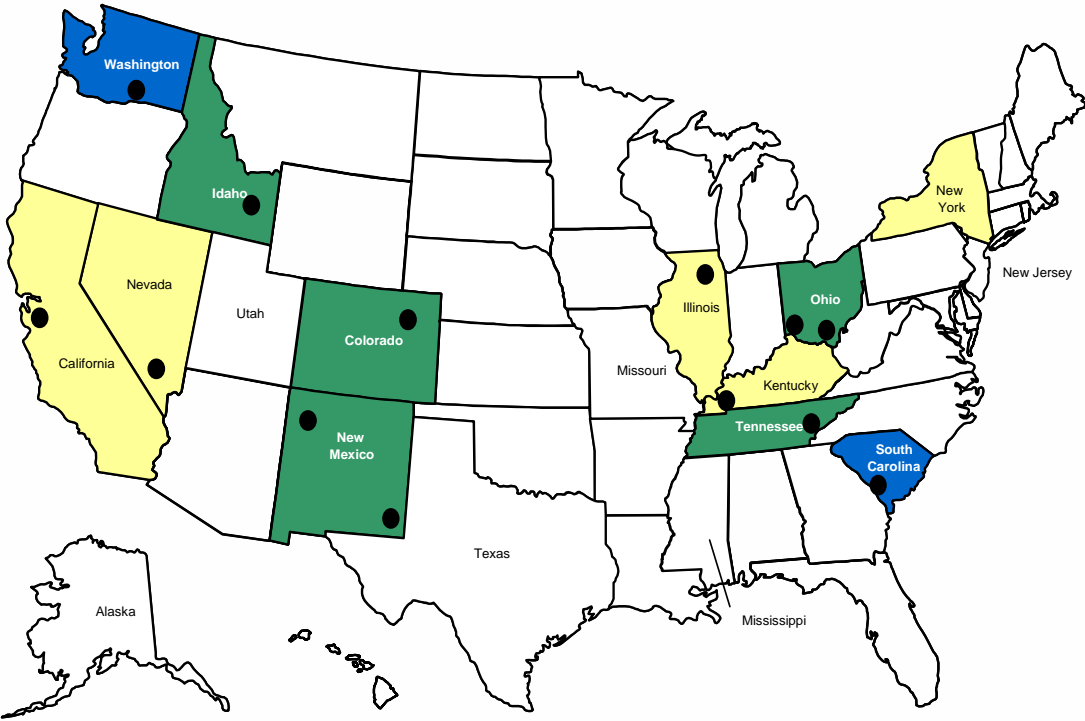
*Accelerating environmental improvements and clean up by **35 years** saving the taxpayer in excess of **\$50 billion***

- ***FY 2003 Budget***
- ***FY 2004 Budget
and PBS Structure***
- ***FY 2004 Budget***

FY 2003 EM Funding

	FY 2002 Comparable	FY 2003 Amended Request	FY 2003 Conference	Request vs. Conference
EM Total	\$6,699,557	\$7,014,227	\$6,996,532	\$17,695

FY 2003 Funding by Operations/Field Office



<i>Operations/Field Office</i> ^A	<i>FY2003 EM Final Appropriation (\$ in Thousands)</i> ^B
Carlsbad	218,157
Chicago	56,695
Idaho	703,868
Oak Ridge	497,355
Paducah	125,633
Portsmouth	161,766
Ohio	576,273
Richland	873,745
Office of River Protection	1,122,531
Rocky Flats	695,463
Savannah River	1,275,503
Various Locations	
Albuquerque	171,564
Nevada	94,983
Oakland	86,685

Legend:

- Over \$1 billion
- \$300 million to \$1 billion
- \$50 million to \$300 million
- Less than \$50 million

^A Includes distribution of Program Direction, Safeguards and Security, Privatization, and Excess Facilities funding.

^B Represents Conference Agreement less the rescission of 0.65% and the distribution of a \$118 million general reduction.

FY 2003 Energy and Water Development Conference Action and Projected Allocations

(dollars in thousands)

Office ^a	FY 2003 Conference	Total Reductions ^b	FY 2003 Allocation ^b
Carlsbad	\$224,501	(\$6,344)	\$218,157
Chicago	59,323	(2,628)	56,695
Idaho	721,065	(17,197)	703,868
Oak Ridge	516,655	(19,300)	497,355
Ohio	580,600	(4,327)	576,273
Paducah	130,048	(4,415)	125,633
Portsmouth	179,769	(18,003)	161,766
Richland	903,707	(29,962)	873,745
Rocky Flats	700,495	(5,032)	695,463
River Protection	1,148,751	(26,220)	1,122,531
Savannah River	1,312,843	(37,340)	1,275,503
Various Locations:			
Albuquerque	173,939	(2,375)	171,564
Nevada	97,581	(2,598)	94,983
Oakland	89,902	(3,217)	86,685

^aIncludes distribution of Program Direction, Safeguards & Security, Excess Facilities, & Privatization funds to the Field Offices.

^bIncludes distribution of the government-wide rescission, general reduction, and other adjustments

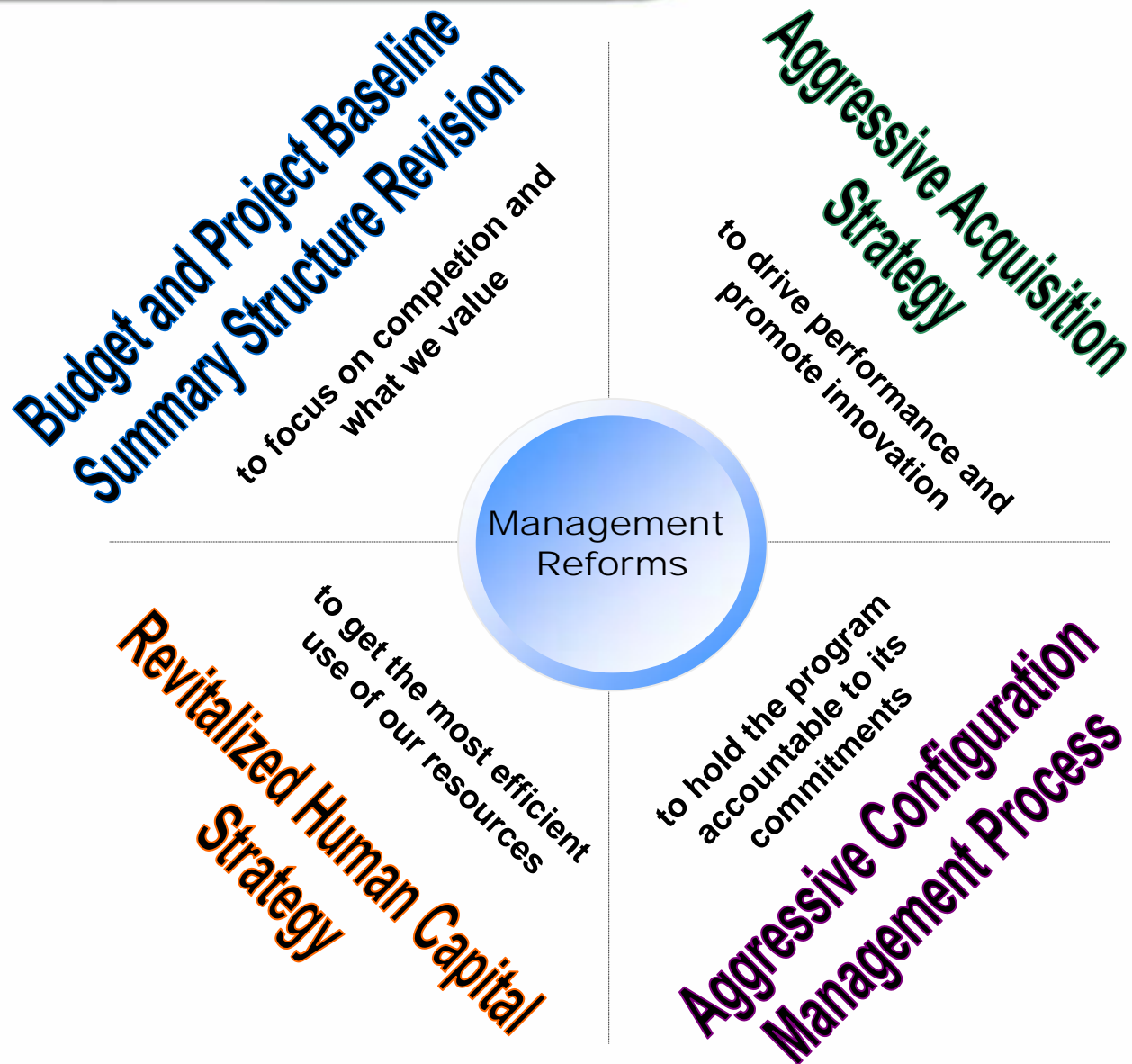
FY 2003 Energy and Water Development Conference Action and Projected Allocations (Cont.)

(dollars in thousands)

Office	FY 2003 Conference	Total Reductions ^b	FY 2003 Allocation ^b
Science & Tech.	118,175	(2,478)	115,697
Multi-Site	64,352	(1,490)	62,862
Headquarters	72,937	32,452	105,389
U/Th Reimbursement	16,000	(104)	15,896
D&D Fund Deposit	442,000	(9,269)	432,731
Excess Facilities	3,700	-	3,700
<i>Subtotal EM</i>	<i>7,560,937</i>	<i>(160,862)</i>	<i>7,400,075</i>
D&D Fund Offset	(442,000)	9,269	(432,731)
S&S Reimb Work	(4,347)	-	(4,347)
Use of Prior Year (Non-Def)	-	(4,906)	(4,906)
Use of Prior Year (Defense)	-	(640)	(640)
Use of Prior Year Reduction	(118,058)	118,058	-
<i>Total, EM</i>	<i>6,996,532</i>	<i>(39,081)</i>	<i>6,957,451</i>

^bIncludes distribution of the government-wide rescission, general reduction, and other adjustments

Management Reforms

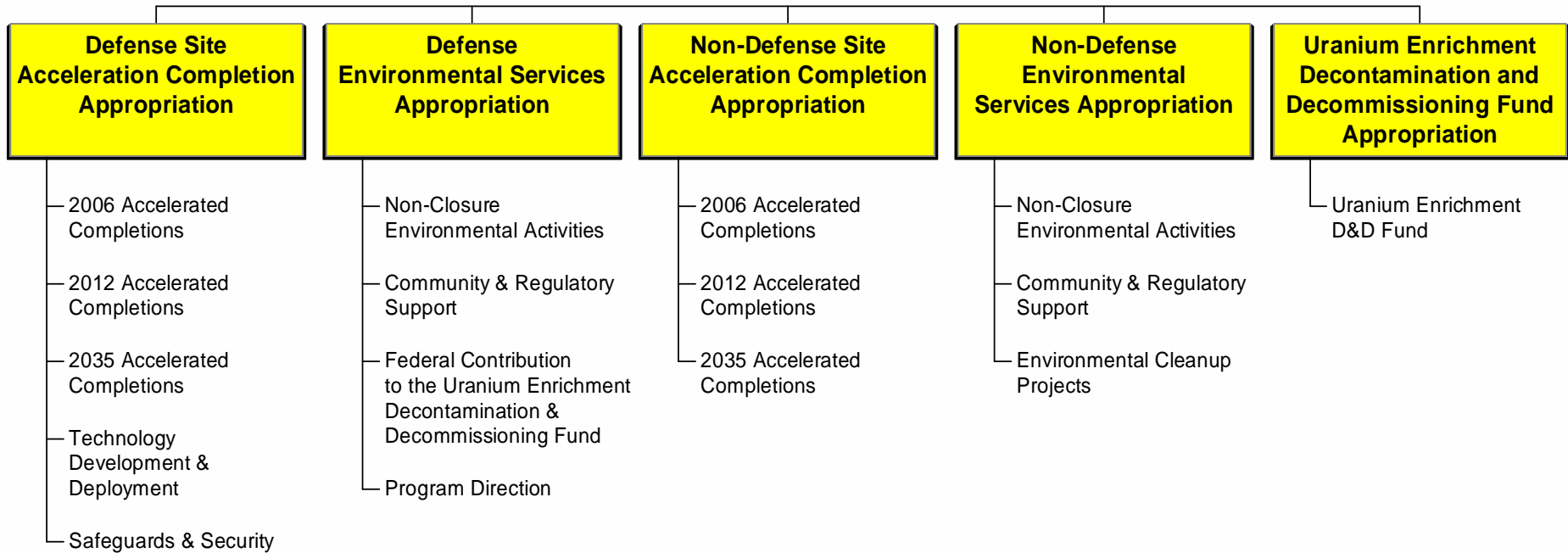


Budget and Project Baseline Summary

Our Key Objectives

- Focus on Completion
 - Emphasizes accelerated risk reduction
- Accountability
 - Bounds end states
- Visibility
 - Clearly delineates how resources are utilized
- Institutionalization of Program Goals
 - Communicates what we value
- Integration of Performance and Budget
 - Fulfills the President's management agenda

EM FY 2004 Budget Structure



FY 2004 PBS Structure

PBS Categories
Nuclear Material Stabilization and Disposition
Spent Nuclear Fuel Stabilization and Disposition
Solid Waste Stabilization and Disposition
Radioactive Liquid Waste Tank Stabilization and Disposition
Safeguards and Security
Soil and Water Remediation
Nuclear Facility D&D
Non-Nuclear Facility D&D
Operate Waste Disposal Facility
Transportation – WIPP
Community Regulatory Support
Pre-2004 Completions
All Other

Corporate Performance Measures

Performance Measure	Unit	Completed to Date (Pre-2003 Actuals)	Life-cycle Scope
Pu packaged for long-term disposition	containers	1,484	5,482
eU packaged for disposition	containers	1,648	9,178
Pu/U residues packaged for disposition	kg bulk	106,519	107,782
DU & U packaged for disposition	MT	3,100	742,149
Liquid Waste eliminated	k-gallons		88,000
Liquid Waste Tanks closed	tanks	2	241
HLW packaged for disposition	containers	1,612	21,305
SNF packaged for disposition	MTHM	639	2,420
TRU disposed	m3	7,720	134,435
LL/LLMW disposed	m3	334,249	1,258,409
MAAs eliminated	areas	6	14
Nuclear Facility Completions	facilities	17	523
Radioactive Facility Completions	facilities	124	804
Industrial Facility Completions	facilities	509	2,421
Geographic Sites eliminated	sites	75	114
Remediation Complete	sites	5,089	10,130

ACCELERATING CLEAN UP AND CLOSURE

- Transfer INEEL landlord responsibilities to the Office of Nuclear Energy
- Transfer Long Term Stewardship Program to the new Office of Legacy Management
- Transfer the Radiological and Environmental Sciences Laboratory to the Office of Environment, Safety, and Health
- Environmental Management staff at the National Energy Technology Laboratory transferred to the Office of Legacy Management
- Environmental Management Laboratory transferred to the new Department of Homeland Security

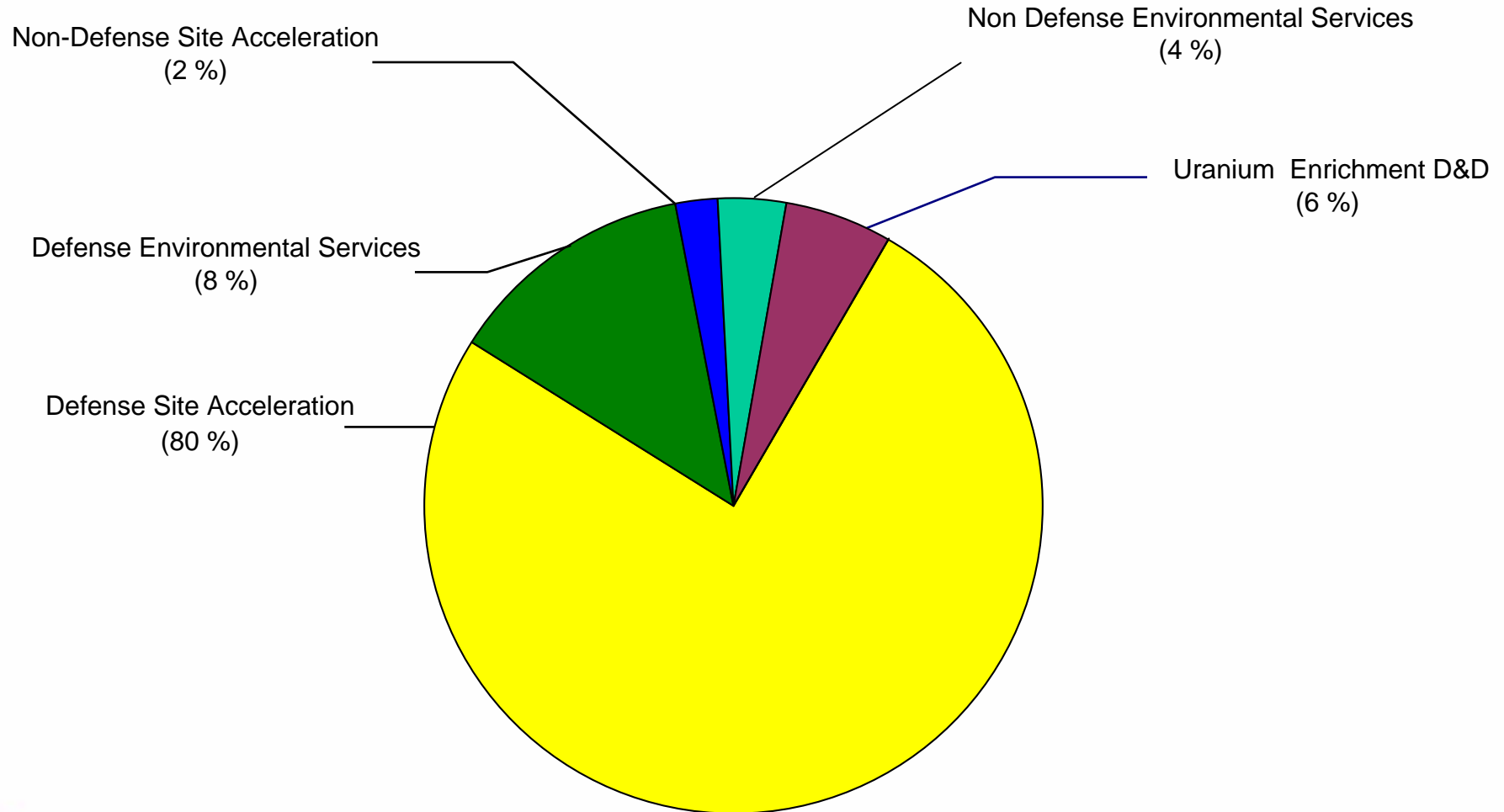
EM Appropriations Account Summary

(dollars in thousands)

	FY 2002 Comparable Appropriation	FY 2003 Comparable Request	FY 2004 Request to Congress	FY 2004 vs. FY 2003	
Defense Site Acceleration Completion	5,280,645	5,620,343	5,814,635	+194,292	+3.5%
Defense Environmental Services	1,025,127	1,060,413	995,179	-65,234	-6.2%
Non-Defense Site Acceleration Completion	194,522	167,581	170,875	+3,294	+2.0%
Non-Defense Environmental Services	148,240	172,970	292,121	+119,151	+68.9%
Uranium Enrichment D&D Fund	305,517	298,489	418,124	+119,635	+40.1%
Subtotal	6,954,051	7,319,796	7,690,934	371,138	+5.1%
Uranium Enrichment D&D Fund Deposit Offset	-420,000	-442,000	-452,000	-10,000	-2.3%
Total, EM	6,534,051	6,877,796	7,238,934	361,138	+5.3%
Total, Department of Energy	21,317,255	22,063,938	23,375,204	1,311,266	+5.9%
Total EM as Percent of Total Department of Energy	30.7%	31.2%	31.0%		

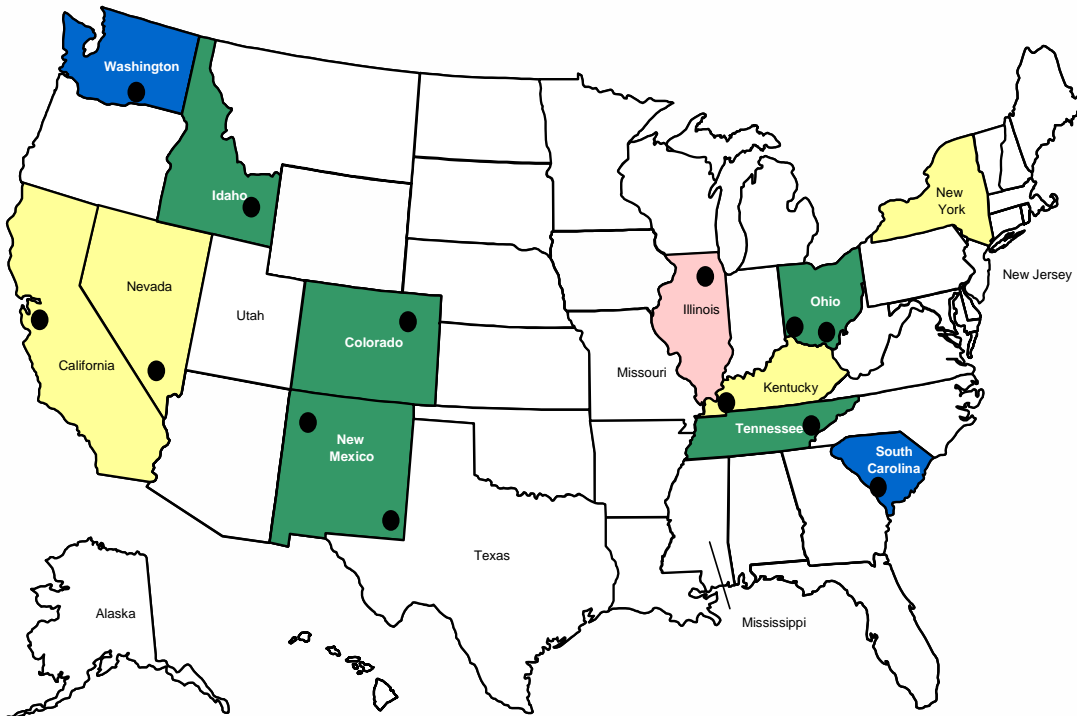
EM's Five Appropriation Accounts

Distribution of the FY 2004 Request



Total FY 2004 Request: \$7,239 Million

FY 2004 Budget Request



<i>Operations/Field Office</i>	<i>FY2004 EM Budget Request (\$ Millions)^B</i>
Carlsbad	222,363
Chicago	47,140
Idaho	596,582
Oak Ridge	525,263
Paducah	178,401
Portsmouth	280,615
Ohio	586,702
Richland	1,014,966
Office of River Protection	1,096,012
Rocky Flats	687,203
Savannah River	1,428,252
Various Locations	
Albuquerque	173,358
Nevada	95,080
Oakland	91,727

Legend:

- Over \$1 billion
- \$300 million to \$1 billion
- \$50 million to \$300 million
- Less than \$50 million

^B Includes all applicable allocations except Technology Development and Deployment (\$ 63,920)

Funding by Installation

	(dollars in thousands)		
	FY 2002 Comparable Appropriation	FY 2003 Comparable Request	FY 2004 Request
Carlsbad			
Carlsbad Field Office	27,804	26,450	25,972
Waste Isolation Pilot Plant	186,872	183,284	188,235
Total, Carlsbad	214,676	209,734	214,207
Chicago			
Argonne National Laboratory-East	4,083	3,239	1,890
Argonne National Laboratory-West	538	410	0
Brookhaven National Laboratory	28,394	35,995	39,499
Chicago Operations Office	1,682	325	0
Princeton Plasma Physics Laboratory	0	127	126
Total, Chicago	34,697	40,096	41,515
Idaho			
Atlas Site	3,400	1,316	2,000
Grand Junction	585	1,269	1,252
Idaho National Engineering & Environmental Laboratory	450,362	517,659	527,636
Idaho Operations Office	11,600	4,338	0
Total, Idaho	465,947	524,582	530,888
Oak Ridge			
East Tennessee Technology Park	125,198	176,855	184,130
Oak Ridge National Laboratory	31,387	45,075	41,772
Oak Ridge Operations Office	34,900	0	0
Oak Ridge Reservation	193,916	207,667	208,389
Y-12 Plant	55,298	22,888	46,689
Total, Oak Ridge	440,699	452,485	480,980
Paducah Gaseous Diffusion Plant	124,367	101,264	175,946
Portsmouth Gaseous Diffusion Plant	187,494	177,378	280,615

Funding by Installation (Continued)

(dollars in thousands)

	FY 2002 Comparable Appropriation	FY 2003 Comparable Request	FY 2004 Request
Ohio			
Ashtabula	16,000	16,000	15,970
Columbus	16,100	21,100	23,058
Fernald	287,129	324,186	323,414
Miamisburg	96,777	100,028	99,824
Ohio Field Office	35,017	0	0
West Valley	69,788	97,210	102,128
Total, Ohio	520,811	558,524	564,394
Richland			
Hanford Site	779,448	837,421	949,629
Richland Operations Office	12,147	14,270	13,149
Total, Richland	791,595	851,691	962,778
River Protection			
Office of River Protection	1,023,484	1,126,858	1,079,316
Rocky Flats			
Rocky Flats Environmental Technology Site	657,911	657,122	658,201
Rocky Flats Field Office	5,601	6,878	5,758
Total, Rocky Flats	663,512	664,000	663,959
Savannah River			
Savannah River Operations Office	30,319	22,000	21,984
Savannah River Site	1,132,591	1,227,676	1,337,303
Total, Savannah River	1,162,910	1,249,676	1,359,287
Headquarters			
Headquarters	71,238	72,316	86,495
Idaho National Engineering Laboratory	54,630	63,479	58,625
Lawrence Livermore National Laboratory	21,272	21,000	20,675
Oak Ridge National Laboratory	6,376	6,565	9,038
Y-12 Plant	26,647	28,374	19,236
River Protection	4,755	5,255	0
Savannah River Site	9,629	21,280	17,733
Total, Headquarters	194,547	218,269	211,802

Funding by Installation (Continued)

(dollars in thousands)

	FY 2002 Comparable Appropriation	FY 2003 Comparable Request	FY 2004 Request
D&D Fund Deposit	420,000	442,000	452,000
Program Direction	301,422	292,491	292,144
Technology Development	200,189	92,000	63,920
Various Locations			
Albuquerque Operations Office	30,240	16,096	3,495
Inhalation Toxicology Laboratory	1,391	1,072	483
Kansas City Plant	2,475	2,370	2,095
Los Alamos National Laboratory	74,047	100,283	116,613
Pantex Plant	13,547	15,618	21,433
Sandia National Laboratories	21,992	24,773	22,097
South Valley	2,166	1,700	0
Nevada Off-Sites/Operations Office	13,868	16,245	17,531
Nevada Test Site	71,098	76,615	72,805
Energy Technology Engineering Center	17,005	18,174	18,467
General Atomics	298	200	0
Laboratory for Energy-Related Health Research	5,864	4,798	3,318
Lawrence Berkeley National Laboratory	3,482	3,187	3,272
Lawrence Livermore National Laboratory	20,956	30,389	28,318
Oakland Operations Office	2,689	1,209	619
Separations Process Research Unit	1,205	4,329	5,565
Stanford Linear Accelerator Center	2,604	3,034	2,416
Total, Various Locations	284,927	320,092	318,527
Subtotal, Environmental Management	7,031,277	7,321,140	7,692,278
Use of Prior Year Balances (Defense)	-67,580	0	0
Reimbursable Work (S&S) (Offset)	-1,547	-1,344	-1,344
Use of Prior Year Balances (UE D&D Fund)	-3,000	0	0
SR Pension Fund (Defense ER&WM)	-5,099	0	0
D&D Fund Deposit (Offset)	-420,000	-442,000	-452,000
Total, Environmental Management	6,534,051	6,877,796	7,238,934

Funding by Installation-Oak Ridge

Oak Ridge				
	East Tennessee Technology Park	125,198	176,855	184,130
	Oak Ridge National Laboratory	31,387	45,075	41,772
	Oak Ridge Operations	34,900	0	0
	Oak Ridge Reservation	193,916	207,667	208,389
	Y-12 Plant	55,298	22,888	46,689
Total, Oak Ridge		440,699	452,485	480,980
Headquarters				
	Headquarters	71,238	72,316	86,495
	Idaho National Engineering Laboratory	54,630	63,479	58,625
	Lawrence Livermore National Laboratory	21,272	21,000	20,675
	Oak Ridge National Laboratory	6,376	6,565	9,038
	Y-12 Plant	26,647	28,374	19,236
	River Protection	4,755	5,255	0
	Savannah River Site	9,629	21,280	17,733
Total, Headquarters		194,547	218,269	211,802
Program Direction		301,422	292,491	292,144
Oak Ridge Program Direction		N/A	N/A	16,009

For more details, refer to the
Office of Environmental Management
(EM) website:
<http://www.em.doe.gov>

Funding by PBS Category

(dollars in thousands)

	FY 2002 Comparable Appropriation	FY 2003 Comparable Request	FY 2004 Request
Nuclear Material Stabilization and Disposition	592,338	614,958	711,515
Spent Nuclear Fuel Stabilization and Disposition	403,617	410,845	376,192
Solid Waste Stabilization and Disposition	949,848	1,009,248	1,050,967
Radioactive Liquid Waste Stabilization and Disposition	863,087	1,062,605	1,051,863
Radioactive Liquid Waste Stabilization and Disposition - Major Construction	665,000	690,000	690,000
Safeguards and Security	244,361	221,614	299,977
Soil and Water Remediation	680,542	867,241	866,612
Nuclear Facility Decontamination and Decommissioning	1,095,039	1,106,390	1,272,342
Non-Nuclear Facility Decontamination and Decommissioning	31,264	25,208	55,807
Operate Waste Disposal Facility	154,916	163,256	157,954
Waste and Material Transportation	43,522	35,624	45,247
Technology Development	200,189	92,000	63,920
Community and Regulatory Support	43,763	43,108	41,632
All Other (Net)	566,565	535,699	554,906
Total, EM	6,534,051	6,877,796	7,238,934

Summary

- ✧ **Top-to-Bottom Review** - EM is now focusing on risk reduction rather than risk management
- ✧ **2004 Budget Request** - Emphasizes EM's approach to *accelerated risk reduction and cleanup completion*
- ✧ **EM's New Budget Structure** - Focuses on completion and endpoints, and communicates EM's goals and objectives
- ✧ **EM's New Corporate Performance Measures**
 - Align with the new budget structure to facilitate integration of the budget with performance
 - Clearly establish expectations and accountability for performance

EM is making accelerated cleanup a reality.....