



FOR IMMEDIATE RELEASE
June 29, 2006

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Committee Approves Energy and Water Appropriations Bill

WASHINGTON – Today the Senate Appropriations Committee unanimously approved a \$30.7 billion Energy and Water Appropriations bill. New funding is provided for weapons systems and for the advancement of energy initiatives authorized by the National Energy Policy Act of 2005.

The \$30.7 billion measure is \$1.25 billion over the budget request, and provides \$24.7 billion for the **Department of Energy** (a \$650 million increase), \$5.13 billion for the **Army Corps of Engineers** (\$406 million increase), \$1.06 billion for the **Bureau of Reclamation** (\$143 million increase), and \$306.3 million for **independent agencies** (\$57 million increase).

Within DOE funding, the bill contains \$9.25 billion, \$58 million below the budget request but \$152 million over FY2006, for the **National Nuclear Security Administration** (NNSA).

Within NNSA funding, \$6.5 billion is outlined for **weapons activities**, which is \$78 million over the budget request; \$1.57 billion for **nonproliferation activities**, \$152 million below the budget request; \$4.24 billion for **scientific research**, \$164 million over the budget request to fully fund the **President's American Competitiveness Initiative**; \$2.3 billion to fund the **President's Advanced Energy Initiative** including solar, biomass and nuclear energy, roughly a \$380 million increase for energy supply and conservation activities.

The bill will require DOE to initiate the first move of special nuclear material out of Lawrence Livermore National Laboratory, with the goal of completing total removal by 2012—two years ahead of schedule.

The bill funds the Global Nuclear Energy Partnership program, and addresses the accumulation of commercial spent nuclear fuel at existing U.S. reactor sites by establishing a “medium term” solution. This plan would, among other things, authorize the Energy Secretary to accept spent nuclear fuel at a federally-owned facility for up to 25 years when it can be recycled for reuse or stored at Yucca Mountain when it is licensed.

Related to the nuclear waste reprocessing, the bill notes a lack of demonstrated cooperation from Russia on the MOX program, an agreement for the U.S. and Russia to each destroy 34 tons of weapons grade plutonium. The bill directs funding toward accelerating construction of a MOX facility in South Carolina.

The bill provides \$380 million to support energy-related activities authorized in the Energy Policy Act of 2005, including, among other things:

- **Solar** -- \$148 million, a \$65.5 million increase, which includes \$18 million for a solar-hydrogen pilot plant;
- **Biomass** -- \$213 million, a \$63 million increase;
- **Geothermal** -- \$22.5 million restored for geothermal research and development;
- **Hydropower** -- \$4.0 million to support advanced hydropower; and,
- **Building Technology** -- \$95.3 million split evenly to support energy conservation demonstration projects and to implement solid state lighting like high-efficiency LED lights.

The bill also provides \$25 million support the math and science training for teachers, as intended by the Protecting America's Competitive Edge (PACE) Act.

The following is a review of the Senate's FY2007 Energy & Water Development Appropriations Bill:

DEPARTMENT OF ENERGY

DEPARTMENT OF ENERGY – \$24.7 billion for DOE, \$658 million over the budget request. The budget makes significant investments in the Office of Science as part of the “American Competitive Initiative” and in the Office of Energy Supply and Conservation to support the “Advanced Energy Initiative” to find alternatives to foreign oil supplies.

NNSA Weapons Activities: \$6.5 billion, a \$95 million increase, for weapons activities. Los Alamos National Laboratory, Sandia National Laboratories, Lawrence Livermore National Laboratory, the Nevada Test Site, and at plants in Texas, Missouri, Tennessee and South Carolina are involved in this work, including **Science-based Stockpile Stewardship campaigns**. The bill provides \$1.32 billion for Directed Stockpile work, including:

- **Life Extension Program** – Reduced by \$82 million as a result of ending life extension work associated with the W80.
- **Stockpile systems** -- \$325 million, equal to the budget request.

- **Stockpile services** -- \$669.3 million, the same as the budget request.
- **Reliable Replacement Warhead (RRW)** -- \$62.7 million, a \$35 million increase, to accelerate the RRW design activities, including \$10 million to initiate a second RRW design competition to replace one or more of the existing legacy systems. LANL and Lawrence Livermore National Laboratory have been key to this effort.
- **Dismantlement** -- \$35 million, a \$40 million reduction that is tied to the viability of the NNSA to fully dispose of unneeded pits that currently have no disposition pathway—namely a pit disassembly facility (MOX).
- **Inertial Confinement Fusion and High Yield** -- \$412 million, down \$39 million, as funding for the National Ignition Facility (NIF) is reprioritized to fully utilize the Z machine. NIF construction is provided \$129 million, a \$30 million reduction, with the NNSA instructed to use available contingency funds to complete construction and to find efficiency of operation in installing remaining 180 lasers.
- **Science Campaign** -- \$268.7 million, up \$5 million above the request, to support research and experiments that are critical to certification of the stockpile.
- **Engineering Campaign** -- \$207 million, up \$46 million over the budget request, to support to restore engineering capability and support increasing engineering design activities utilizing the MESA facility to design and deploy state-of-the art security and safeguards technology to protect against the unauthorized use of nuclear weapons. MESA funding is provided at \$11.5 M and will complete the project.
- **Advanced Simulation and Computing** -- \$695 million, up \$78 million, to purchase the first petaflop (a billion million calculations per second) computer for the U.S. This will be the fastest computer in the world and will give Los Alamos the capability to simulate complex physics experiments to validate the reliability of the U.S. stockpile, without underground testing.
- **Pit Manufacturing** -- \$237.6 million, the same as the budget request.
- **Weapons Readiness** -- \$205 million, the same as the budget request.
- **Readiness in Technical Base and Facilities** -- \$1.78 billion, up \$95 million, to provide critical funding to support operations and provides salaries to lab employees. LANL CMR-Replacement is fully funded at \$112.4 million, and LANL Radioactive Liquid Waste Treatment Facility upgrade is fully funded at \$14.8 million. Another \$7.0 million is provided to initiate pre-engineering design work for the LANL LANCE facility, and \$10 million is provided to initiate removal of the special nuclear material from Lawrence Livermore to be completed by 2012.
- **Secure Transportation** -- \$209 million, the same as the budget request.
- **Nuclear Weapons Incident Response** -- \$135 million, the same as the budget request.
- **Facility and Infrastructure Recapitalization** -- \$283.2 million.
- **Safeguards and Security** -- \$670.7 million, up \$5.0 million to provide additional funding for Sandia National Laboratory to encourage the development of technology based security solutions to increase the margin of security and reduce costs.

Nuclear Nonproliferation -- \$1.57 billion, \$153 million below the request.

- **Nonproliferation Detection and Verification R&D** - \$282 million, up \$14 million, to support long-term research into chemical and biological detection.
- **International Materials Control** - \$427 million, a \$14 million increase over FY2005, to support the purchase, deployment and testing of MPOND mobile scanner to seek out nuclear material that may be smuggled aboard cargo containers.
- **Fissile Material Disposition (MOX)** -- \$653 million, up \$15 million, reflecting the shift of funding requested for the EWGPP program being applied to the construction of the MOX fuel fabrication facility in Savannah River, S.C. The Committee believes that the State Department and DoE should continue to negotiate with the Russian on an acceptable solution to destroy 34 tons of plutonium from each of the U.S. and Russian stockpiles. In the meantime, the Committee encourages the U.S. to proceed with construction of the U.S. plant without waiting for Russia. If the Russian plan to burn plutonium in an advanced reactor is viable, this could put Russia ahead of the U.S. in the near future. (MOX construction funding is up \$50 M.)
- **Global Threat Reduction Initiative** -- \$116.8 million, up \$10 million, to accelerate offsite recovery of radiation sources and foreign capabilities that could be used to develop weapons of mass destruction.

Defense Environmental Cleanup -- \$5.47 billion, up \$88 million over the budget request. This includes:

- **Los Alamos** -- \$141 million, up \$50 million to restore funding to FY2006 levels. Bill language has been included directing DOE to fund any penalties incurred from failure to meet the cleanup requirements from program direction.
- **Waste Isolation Pilot Plant (WIPP)** -- \$232.27 million, up \$19 million above the request. This includes \$139.0 million for WIPP operations, including \$7 million added remote handled waste activities and \$23 million for the central characterization project. The bill provides \$32.9 million for state transportation needs related to WIPP and \$37 million for community and regulatory support (a \$12 million increase reflects \$3.5 million to support economic development; \$5 million for a digital record center for WIPP archives, \$2 million to support Center of Excellence for Hazardous Materials Management, and \$1.5 million for neutrino research).
- **Office of River Protection (Hanford) Washington** -- \$964 million, as requested, despite poor execution, prolonged delays and engineering challenges. The bill provides full funding for the Waste Treatment Plant (\$690 million). This proposal does not endorse the House position to shift regulatory oversight responsibilities to the NRC.
- **Oak Ridge, Tenn.** -- \$179.2 million, up \$19.3 million.
- **Idaho National Lab** -- \$512 million, as requested.
- **Savannah River** -- \$1.084 billion, as requested.

Other DOE Defense Activities -- \$731.8 million, up \$14 million:

- **Safeguards and Security** -- \$295.8 million, the same as the budget request.
- **Environment, Safety and Health** -- \$94.8 million, a \$14 million increase that is to be used to support worker health and testing programs at the various DOE facilities.
- **Legacy Management** -- \$167.8 million, the same as the budget request, to manage site closeout activities, including site monitoring, pension and health care costs.

Non-Defense Environmental Management -- \$310 million, the same as the budget request.

Nuclear Waste Disposal/Yucca Mountain: \$494 million, consistent with FY2006 funding. The bill authorizes the Energy Secretary to create a Director of Consolidation with the goal of finding a temporary, consolidated storage for spent fuel within a state or regional site.

- DOE would take title for the spent fuel and move it to another non-reactor site owned by the federal government or purchased from a willing seller.
- Requires the Secretary to designate a site within 270 days of enactment.
- Provides for expedited review of license application for a term not to exceed 25 years.
- Permits the Secretary to utilize the Nuclear Waste Fund to finance temporary storage.
- Legislates the Waste Confidence rule, which is important for new license or expansion of existing plant license.

Power Marketing Administration (PMA) – Fully funds Southeast PMA, Western PMA, and provides language added to protect ratepayers from budget gimmicks that increase rates.

Independent Agencies – \$308.3 million, up \$59.5 million:

- **Appalachian Regional Commission** – \$65.5 million, as requested, and including language requiring any earmarks be taken against the total state allocation in which the earmark was taken. This is intended to prevent one state from taking more than is due that state under the ARC allocation.
- **Delta Regional Authority** -- \$12 million, a \$6 million increase.
- **Denali Commission** -- \$50 million, a \$47.5 million increase over the budget request.
- **Nuclear Regulatory Commission** – \$808 million, up \$40 million above the request, to support additional personnel and office space needed to meet the increasing demands associated with new nuclear plant licenses the NRC expects in the next year.

Energy Supply and Conservation – \$2.29 billion, up \$370.7 million to fund energy initiatives authorized in the Energy Policy Act of 2005 (EPACT):

- **Biomass** -- \$213 million, a \$63 million increase, to support commercial demonstration of cellulosic ethanol production using grant funding or Section 17 loan guarantees.
- **Solar** – \$148 million to fully fund the President’s request and provide \$9 million to support solar demonstration of pilot scale facility at Sandia National Laboratories.
- **Hydropower** -- \$4 million to support research goals of new advanced hydropower (EPACT Sec. 931).
- **Industrial Technology** -- \$47.5 million, in addition to \$2 million provided for R&D to support increased energy efficient computer chips at Sandia National Lab in collaboration with Intel.
- **Geothermal** – \$22.5 million restored to continue geothermal R&D.
- **Vehicles Technology** – \$180 million to fully fund FreedomCAR and provide a \$3 million increase for the Clean Cities initiative to encourage deployment of clean fuel infrastructure.
- **Buildings Technology** – \$95.3 million, an increase of \$26 million with a directive for DOE to accelerate goals for a zero energy home in five to seven year from 2025 goals. The bill provides \$5 million to support a nationwide design competition of such homes EPACT Sec. 140), and another \$5 million implement solid state lights and research into LED lights (EPACT Sec. 912).
- **Weatherization Activities** -- \$204.5 million, including \$200 million (a \$40.4 million increase) to fund the weatherization grant program. It also provides \$49.5 million to fund the State Energy Program.
- **Electricity Delivery and Energy Reliability (EDER)** -- \$135 million, up \$10 million, which includes: \$45.5 million to fully fund high-temperature superconducting wire R&D; \$10 million for Sandia and Idaho National Lab energy infrastructure security R&D.

Nuclear Energy -- \$711 million, up \$151.5 million, including:

- **University Reactor Infrastructure and Education Initiative** -- \$27 million to restore funding for the university R&D program;
- **Nuclear Power 2010** -- \$88 million, a \$34 million increase, for NP2010 to accelerate the new plan design licensing program with the NRC;
- **Next Generation Nuclear Plant** -- \$40.0 million, and an additional \$17 million -- to support R&D at Idaho National Lab of high temperature gas reactor.
- **Global Nuclear Energy Partnership (GNEP)** -- \$250 million, plus \$36 million for facilities upgrades— including \$10 million for the LANL CMR Wing 9 hot cells, and \$5 million for LANSCE materials test station at LANL. (*Regarding GNEP, bill language is included requiring the spent fuel recycling demonstration facility only accept enough spent fuel to demonstrate R&D capability to ensure that new GNEP demonstration does not become permanent interim repository.*)

Fossil Energy -- \$644 million, up \$174 million over the budget request, including:

- **Clean Coal Power Initiative** -- \$70 million, up \$65 million above the budget request. This includes \$50 million provided from the rescission of previously awarded non-performing grants, in addition to \$20 million in new funds.
- **Carbon Sequestration R&D** -- \$90 million, an \$18 million increase, with \$10 million for LANL.
- **Natural Gas R&D** -- \$17 million to support R&D methane hydrates research (EPACT Sec. 968), despite the budget request that funding be eliminated.
- **Oil Technology** -- \$10 million to be applied to oil shale and tar sands R&D (EPACT Sec. 369), another program targeted for elimination in the budget request.

Naval Petroleum and Oil Shale Reserves -- \$39.8 million, up \$21 million including \$10 million to support oil shale and tar sands R&D (EPACT Sec. 369) and \$2 million for LANL to carry out an environmental impact assessment.

Energy Information Administration -- \$93 million, a \$3.2 million increase, to support additional surveys on ethanol and gasoline market data such as storage and gasoline markets and to safeguard important market data from misuse and computer hacking.

Science -- \$4.241 billion, a \$139 million increase.

CORPS OF ENGINEERS

The Subcommittee recommends for the Corps of Engineers \$5.139 billion, which is \$406.4 million above the President's request. The bill includes funding for the following:

General Investigations - \$168.5 million
Construction, General - \$2.042 billion
Mississippi River and Tributaries - \$450.5 million
Operations and Maintenance - \$2.03 billion
Regulatory Program - \$168 million
FUSRAP - \$140 million
FCCE - \$32 million
General Expenses - \$164 million

The Subcommittee rejected the Administration proposal to include major project rehabilitations and Endangered Species Act compliance in the O&M account, the "new" beach policy and the regionalized display of O&M because of a lack of transparency that would result in the budgetary process.

The Subcommittee has expanded the display of the General Investigations budget to provide greater budget transparency. The Committee recommendation includes revised reprogramming guidance to allow the Corps more flexibility in the civil works program. The Committee directs that decision-making for reprogramming and contracting decisions should be made at the lowest possible levels within the organization.

BUREAU OF RECLAMATION (DEPARTMENT OF INTERIOR)

The Committee recommendation for the Bureau of Reclamation includes \$1.027 billion, an increase of \$143.57 million above the budget request. The Subcommittee includes the following funding:

Water and Related Resources - \$888.99 million
Central Valley Project Restoration Fund - \$41.478 million
California Bay-Delta Restoration - \$38.610 million
Policy and Administration - \$58.069 million

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