

**Chairman Lamar Alexander Opening Statement  
Committee on Appropriations Subcommittee on Energy and Water Development**

**Hearing to Review the FY2019 Budget Request for the U.S. Department of Energy and the  
National Nuclear Security Administration**

**April 11, 2018**

*(As prepared for delivery)*

First, I would like to thank Secretary Perry for being here today. This is Secretary Perry's second year before the subcommittee.

I also want to thank Senator Feinstein, with whom I have the pleasure to work again this year to draft the Energy and Water Appropriations bill.

Our witnesses today include: Secretary Rick Perry, the Secretary of Energy; and Ms. Lisa Gordon-Hagerty, the Administrator of the National Nuclear Security Administration.

The Secretary is also accompanied by Mr. Paul Dabbar, the Undersecretary of Energy for Science and John Vonglis, the Chief Financial Officer at the Department of Energy.

I am very pleased with the fiscal year 2018 Energy and Water Appropriations bill, which provided \$6.26 billion, record funding in a regular appropriations bill for the 3rd consecutive year, for the Office of Science, which supports the Department of Energy's 17 national laboratories.

The 2018 bill included \$353 million for ARPA-E, to continue the important research and development investments into high-impact energy technologies – another record funding level in a regular appropriations bill.

The 2018 bill also supported our national security programs, providing \$14.7 billion for the National Nuclear Security Administration, including record funding levels for our Weapons Program and Naval Reactors.

Now we are turning our attention to the administration's fiscal year 2019 budget request for the Department of Energy, a federal agency with three critical missions: nuclear security, science and energy, and environmental management.

We're here today to review the Department of Energy's budget request for fiscal year 2019, which begins on October 1st of this year, and is approximately \$30.6 billion dollars. This amount is about \$4.3 billion below what Congress provided in the fiscal year 2018 Energy and Water Appropriations bill for the Department.

The budget requests \$15.1 billion for the National Nuclear Security Administration, which is \$400 million more than the fiscal year 2018 enacted level.

I'm also pleased to see that the Department's 2019 budget request prioritizes supercomputing, and includes approximately \$672 million to deploy exascale systems in the early 2020's.

Unfortunately the budget request this year again proposes to decrease spending on federally funded research and development, terminates ARPA-E, and recommends reducing funding levels below what Congress provided last year: the Office of Science by \$870 million; Energy Efficiency and Renewable Energy by \$1.6 billion; Nuclear Energy by \$448 million; and Office of Electricity by \$91 million.

And that is why we are holding this hearing: to give Secretary Perry an opportunity to discuss the Department's priorities, so Senator Feinstein and I can make informed decisions as we begin to write the fiscal year 2019 Energy and Water Appropriations bill over the next few weeks.

Governing is about setting priorities, and we always have to make some hard decisions to ensure the highest priorities are funded.

Today, I'd like to focus my questions on three main areas, all with an eye toward setting priorities: prioritizing federal support for science and energy research; maintaining a safe and effective nuclear weapons stockpile; and solving the nuclear waste stalemate.

Research funding for Department of Energy laboratories has produced technologies for unconventional natural gas development, supercomputing, 3D printing, nuclear imaging devices used for medical diagnosis, MRI scanners, optical digital recording technology used to make DVDs, batteries and energy storage systems for cars and trucks and the electric grid, precision detectors, and pharmaceuticals.

The Department of Energy's research programs have made the United States a world leader in science and technology, and these programs will help the United States maintain its brainpower advantage to remain competitive at a time when other countries are investing heavily in research.

The federal budget cannot be balanced by cutting discretionary spending, which is only 30 percent of federal spending.

Mandatory spending, which amounts to more than 63 percent of federal spending, is the cause of the more than \$21 trillion federal debt.

The federal debt is not the result of Congress overspending on science and energy research each year.

A key pillar of our national defense is a strong nuclear deterrent. In February, the administration issued an updated nuclear policy, called the Nuclear Posture Review.

The updated Nuclear Posture Review recommends continuing many of the things we have been working on for the last several years—things that I support, including continuing Life Extension Programs to make sure our current nuclear weapons remain safe and effective, continuing to

invest in the facilities we need to maintain our nuclear weapons stockpile. This includes the Uranium Processing Facility and the Plutonium Facility.

I'm pleased to know the Department approved the design of the nuclear buildings for the Uranium Processing Facility last month, which allows the contractor to begin construction, and I'll be asking some questions about that project today.

The Nuclear Posture Review also calls for two low yield warheads to be added to the stockpile, largely in response to capabilities being developed by Russia and other countries.

I'd like to hear more about that today, and look forward to hearing the reasons the administration determined these warheads are needed for our national defense.

To ensure that nuclear power has a strong future in this country, we must solve the decades' long stalemate over what to do with used fuel from our nuclear reactors.

Senator Feinstein and I have been working on this problem for years, and I'd like to take the opportunity to compliment Senator Feinstein on her leadership and her insistence that we find a solution to this problem.

To solve the stalemate, we need to find places to build geologic repositories and temporary storage facilities so the federal government can finally meet its legal obligation to dispose of nuclear waste safely and permanently.

This year's budget request for the Department of Energy includes \$110 million to restart work for Yucca Mountain repository and \$10 million to study ways to open an interim storage site or use a private interim storage site.

I strongly believe that Yucca Mountain can and should be part of the solution to the nuclear waste stalemate. Federal law designates Yucca Mountain as the nation's repository for used nuclear fuel, and the Commission's own scientists have told us that we can safely store nuclear waste there for up to one million years.

But even if we had Yucca Mountain open today, we would still need to look for another permanent repository. We have more than enough used fuel to fill Yucca Mountain to its legal capacity.

So Senator Feinstein and I, along with the leaders of the Committee on Energy and Natural Resources, Senator Murkowski and then Senators Bingaman, Wyden, and now Senator Cantwell, have a bill to implement the recommendations of the President's Blue Ribbon Commission on America's Nuclear Future, which we're working to reintroduce this year.

The legislation complements Yucca Mountain, and would create a new federal agency to find additional permanent repositories and temporary facilities for used nuclear fuel.

But the quickest, and probably the least expensive, way for the federal government to start to meet its used nuclear fuel obligations is for the Department of Energy to contract with a private storage facility for used nuclear fuel.

Last year, you told this subcommittee that the Department of Energy has the authority to take title to used nuclear fuel, but you were hesitant to agree that it has the authority to store the used fuel at a private facility without more direction from Congress.

I understand that two private companies have submitted applications to the NRC for consolidated storage facilities, one in Texas and one in New Mexico. I'll be asking some questions about this today.

I look forward to working with Secretary Perry and Administrator Gordon-Hagerty as we begin putting together our Energy and Water Appropriations bill for fiscal year 2019.

I will need the Secretary's assurance that the Department will continue to fund projects consistent with congressional intent in the FY2018 Omnibus Appropriations bill.

I would also like to hear what Secretary Perry's priorities are for an FY2019 Energy and Water Appropriations bill, which will reflect funding levels much like the FY2018 bill, and will provide the Department more, not less money, than the budget requests.

I will now recognize Senator Feinstein for her opening statement.