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No. 13

June 30, 2005

H.R. 2419 – Energy and Water Appropriations Bill, 2006

Calendar No. 130

On June 16, the Appropriations Committee reported H.R. 2419, with an amendment in the nature of a substitute, by a vote of 28-0; S. Report 109-84.

Noteworthy

- It is possible that H.R. 2419 could be before the Senate today.
- H.R. 2419 provides a total of \$31.24 billion in new budget authority for fiscal year 2006, which is \$1.49 billion above the Administration's request and \$1.41 billion above the FY05 enacted level.
- H.R. 2419 provides \$25.04 billion for the Department of Energy, which is \$1.12 billion more than the Administration's request and \$778.1 million more than the FY05 enacted level. In addition, the bill includes \$36 million in advance appropriations.
- H.R. 2419 provides \$577.0 million for Nuclear Waste Disposal (Yucca Mountain), which is \$64.0 million below the President's request, but equal to the FY05 enacted level.
- H.R. 2419 provides \$5.30 billion for the Army Corps of Engineers, which is \$966 million above the Administration's request and \$258 million above the FY05 enacted level.
- On May 24, the House passed H.R. 2419, its version of the Energy and Water Appropriations bill, by a vote of 416-13.

Highlights

(amount in billions)

<u>Title</u>	<u>President's Request</u>	<u>Committee Recommendation</u>
Title I—Army Corps	\$4.33	\$5.30
Title II—Dept. of Interior	\$0.95	\$1.08
Title III—Dept. of Energy	\$24.21 ¹	\$25.08 ²
Title IV—Independent Agencies	\$0.23	\$0.31
Total	\$29.73³	\$31.76⁴

Background

The purpose of this bill is to provide appropriations for the fiscal year 2006 beginning October 1, 2005, and ending September 30, 2006, for energy and water development, and for other related purposes. It supplies funds for water resources development programs and related activities of the Department of the Army, Civil Functions--U.S. Army Corps of Engineers' Civil Works Program in title I; for the Department of the Interior's Bureau of Reclamation in title II; for the Department of Energy's energy research activities, including environmental restoration and waste management, and atomic energy defense activities of the National Nuclear Security Administration in title III; and for related independent agencies and commissions, including the Appalachian Regional Commission, Delta Regional Authority, Denali Commission, and the Nuclear Regulatory Commission in title IV.

¹ Total includes advance appropriations from a previous year.

² Total includes advance appropriations from a previous year.

³ Due to rounding, actual total is \$29.72.

⁴ Due to rounding, actual total is \$31.77. The difference between the bill total on page 1 and the bill total on this chart is due to score keeping from offsetting fees and other adjustments.

Bill Provisions

Title I – Department of Defense – Civil Department of the Army (Corps of Engineers)

Title I provides \$5.30 billion for the Department of the Defense (Civil), which is \$966.0 million above the Administration's request and \$258.1 million above the FY05 enacted level. Significant spending accounts include:

General Investigations (GI): Provides \$180.0 million for GI, which is \$85.0 million above the Administration's request and \$36.7 million above the FY05 enacted level. This appropriation funds studies to determine the need, engineering feasibility, economic justification, and the environmental and social suitability of solutions to water and related land resource problems; and for preconstruction engineering and design work, data collection, and interagency coordination and research activities.

Construction: Provides \$2.09 billion for Construction, which is \$449.7 million above the Administration's request and \$304.9 million above the FY05 enacted level. This appropriation includes funds for construction, major rehabilitation and related activities for water resources development projects having navigation, flood control, water supply, hydroelectric, environmental restoration, and other attendant benefits to the Nation. The construction and major rehabilitation projects for inland and coastal waterways will derive one-half of the funding from the Inland Waterway Trust Fund. Funds to be derived from the Harbor Maintenance Trust Fund will be applied to cover the Federal share of the Dredged Material Disposal Facilities Program.

The appropriation provides funds for the Continuing Authorities Program (projects which do not require specific authorizing legislation), which includes projects for flood control (Section 205), emergency streambank and shoreline protection (Section 14), beach erosion control (Section 103), mitigation of shore damages (Section 111), navigation projects (Section 107), snagging and clearing (Section 208), aquatic ecosystem restoration (Section 206), beneficial uses of dredged material (Section 204), and project modifications for improvement of the environment (Section 1135).

Flood Control, Mississippi River and tributaries, Arkansas, Illinois, Kentucky, Louisiana, Mississippi, Missouri, and Tennessee: Provides \$433.3 million for Flood Control, which is \$163.3 million above the Administration's request and \$111.4 million above the FY05 enacted level. This appropriation funds planning, construction, and operation and maintenance activities associated with water resource projects located in the lower Mississippi River Valley from Cape Girardeau, Missouri to the Gulf of Mexico.

Operation and Maintenance (O&M): Provides \$2.10 billion for O&M, which is \$121.0 million above the Administration's request and \$156.6 million above the FY05 enacted level.

Regulatory Program: Provides \$150.0 million for the Regulatory Program, which is \$10.0 million below the Administration's request, but \$6.2 million above the FY05 enacted level.

Formerly Utilized Sites Remedial Action Program (FUSRAP): Provides \$140.0 million for FUSRAP, which is equal to the Administration's request, but \$23.7 million below the FY05 enacted level. The responsibility for the cleanup of contaminated sites under the Formerly Utilized Sites Remedial Action Program was transferred to the Army Corps of Engineers in the Fiscal Year 1998 Energy and Water Development Appropriations Act, Public Law 105-62.

Flood Control and Coastal Emergencies: Provides \$43.0 million for Flood Control and Coastal Emergencies, which is \$27.0 million below the Administration's request, but \$43.0 million above the FY05 enacted level.

General Provisions: Title I includes a number of general provisions on a range of issues. Of note, Sections 107-108 provide bill language increasing the cost ceiling for two projects in West Virginia.

Title II – Department of Interior

Title II provides \$1.08 billion for the Department of Interior, which is \$130.0 million above the Administration's request and \$63.5 million above the FY05 enacted level. Significant spending accounts include:

Central Utah Project Construction: Provides \$34.4 million for the Central Utah Project Construction, which is equal to the Administration's request, but \$13.3 million below the FY05 enacted level. Included within this funding is \$946,000 for **Fish, Wildlife, and Recreation Mitigation and Conservation** and \$1.7 million for **Program Oversight and Administration**. The Central Utah Project Completion Act (titles II-VI of Public Law 102-575) provides for the completion of the central Utah project by the Central Utah Water Conservancy District. The Act also authorizes the appropriation of funds for fish, wildlife, recreation, mitigation, and conservation; establishes an account in the Treasury for the deposit of these funds and of other contributions for mitigation and conservation activities; and establishes a Utah Reclamation Mitigation and Conservation Commission to administer funds in that account. The Act further assigns responsibilities for carrying out the Act to the Secretary of the Interior and prohibits delegation of those responsibilities to the Bureau of Reclamation.

Bureau of Reclamation: Provides \$1.05 billion for the Bureau of Reclamation, which is \$130.0 million above the Administration's request and \$76.8 million above the FY05 enacted level. Included in this funding is: \$899.6 million for **Water and Related Resources**; \$52.2 million for the **Central Valley Project Restoration Fund**; \$37.0 million for **California Bay-Delta Restoration**; and \$57.9 million for **Policy and Administration**.

General Provisions: Title II includes a number of general provisions on a range of issues. Of note, Section 203 includes bill language regarding **drought emergency assistance**. Section 204 includes bill language permanently authorizing **Water 2025**.

Title III – Department of Energy

Title III provides \$25.04 billion for the Department of Energy, which is \$1.12 billion more than the Administration's request and \$778.1 million more than the FY05 enacted level. The bill also includes \$36.0 million in advance appropriations. Significant spending accounts include:

Energy Supply and Conservation: Provides \$1.9 billion for energy supply and conservation programs to develop new energy technologies, improve existing technologies, and improve energy efficiency. This is \$195.9 million above the Administration's request and \$138.4 million above the FY05 enacted level.

Clean Coal Technology: The Committee recommends the deferral of \$257.0 million in clean coal technology funding until fiscal year 2007. The Committee contends that these balances are not needed to complete active projects in this program.

Fossil Energy Research and Development: Provides \$641.6 million for fossil energy research and development, which is \$106.8 million below the Administration's request and \$69.8 million above the FY05 enacted level. These moneys include \$100.0 million for the **Clean Coal Power Initiative**, \$18.0 million for the **FutureGen** research prototype facility, \$27.0 million for **Natural Gas Technologies**, and \$32.0 million for **Petroleum Technologies**.

Naval Petroleum and Oil Shale Reserves: Provides \$21.5 million for Naval petroleum and oil shale reserves, which is \$3.0 million above the Administration's request and \$3.8 million above the FY05 enacted level.

Science: Provides \$3.70 billion for scientific research, which is \$240.0 million above the Administration's request and \$102.8 million above the FY05 enacted level. These moneys include \$716.9 million for **High Energy Physics**, \$419.7 million for **Nuclear Physics**, \$503.7 million for **Biological and Environmental Research**, and \$1.24 billion on **Basic Energy Sciences**, among other things. Also included is \$100.0 million for Office of Science facilities to specifically ensure that the SC user facilities operate at optimal levels. This \$100.0 million is distributed as follows: \$20.0 million in **Basic Energy Sciences**; \$3.0 million **High Energy Physics**; \$49.0 million in **Nuclear Physics**; and \$28.0 million in **Fusion Energy Sciences**.

Miscellaneous Programs: Provides \$84 million for the **Elk Hills School Lands Fund**, \$166 million for the **Strategic Petroleum Reserve**, \$85.9 million for the **Energy Information Administration**, \$353.2 million for **Non-defense Site Environmental**

Clean Up, \$561.5 million for **Uranium Enrichment Decontamination and Decommissioning Fund**, and \$300.0 million for **Nuclear Waste Disposal**.

Atomic Energy Defense Activities: Provides \$16.74 billion for Atomic Energy Defense Activities (AEDA), which is \$335.5 million above the Administration's request and \$31.2 million above the FY05 enacted level. These moneys include \$9.43 billion for the **National Nuclear Security Administration**, \$6.37 billion for **Defense Site Environmental Clean Up**, \$277.0 million for **Defense Nuclear Waste Disposal**, and \$665.0 million for other defense activities. Within the AEDA, \$653.1 million (full funding) is provided for **Fissile Materials Disposition**—a program that conducts activities in both the United States and Russia to dispose of fissile materials that would pose a threat to the United States if acquired by hostile nations or terrorist groups.

Power Marketing Administrations: Provides \$279.2 million for the nation's Power Marketing Administrations, which is \$222.1 million above the Administration's request and \$70.4 million above the FY05 enacted level. These moneys include \$38.3 million for operation and maintenance for the **Southeastern Power Administration**, \$240.8 million for construction, rehabilitation, operation and maintenance for the **Western Area Power Administration**, and \$2.7 million for **Falcon and Amistad Operating and Maintenance Fund**.

Federal Energy Regulatory Commission: Provides \$220.4 million for the Federal Energy Regulatory Commission, which is equal to the Administration's request and \$10.4 million above the FY05 enacted level.

General Provisions: Title III includes a number of general provisions on a range of issues. Of note, Section 303 prohibits the use of funds in the bill to initiate requests for proposals of interest of new programs, which have not yet been presented to Congress in the annual budget submission, and which have not been approved and funded by Congress. Section 306, requires the Secretary compete management and operating contracts of certain Department of Energy and National Nuclear Security Administration laboratories. Section 309 provides language authorizing intelligence activities pending enactment of the fiscal year 2004 Intelligence Authorization Act (P.L. 108-381).

Title IV – Independent Agencies

Title IV provides \$306.7 million for independent agencies, which is \$72.4 million above the Administration's request \$17.4 million above the FY05 enacted level. Included in these funds is: \$65.5 million for the **Appalachian Regional Commission**; \$22.0 million for the **Defense Nuclear Facilities Safety Board**; \$12 million for the **Delta Regional Authority**; \$67 million for the **Denali Commission**; \$136.6 million for the **Nuclear Regulatory Commission**; and \$3.6 million for the **Nuclear Waste Technical Review Board**.

Administration Position

A statement of Administration Policy (SAP) concerning H.R. 2419, as reported by the Senate Appropriations Committee, was not available at press time.

On May 24, the Administration released a SAP on the House-reported bill, H.R. 2419. The Administration supported the House passage of H.R. 2419, and looks forward to working with Congress to ensure that the FY 2006 appropriations bills do not exceed the **\$843 billion discretionary funding level** contained in the FY 2006 Budget Resolution. **(The President's Budget includes over 150 savings and reforms and was the first to propose reducing non-security discretionary spending since the Reagan Administration.)** In the SAP, the Administration expressed concern about several provisions in H.R. 2419, including Nuclear Power 2010 Program, oil-and-gas research and development, International Thermonuclear Experimental Reactor (ITER), Bureau of Reclamation's Water 2025 program, National Nuclear Security Administration (NNSA), Fissile Materials Disposition program, Laboratory Directed Research and Development, Corps of Engineers, and Western Area Power Administration.

President's Program Terminations

(in millions of dollars)

Program	Classification	2005 Enacted	2006 Request	House Allowance	Committee Recommendation
Environmental Management	Reduction	6,808	6,015	6,468	6,336
Nuclear Energy Research Initiative	Termination	2	0	0	0
Nuclear Energy Plant Optimization	Termination	2	0	0	0
Hydropower Program	Termination	0.496 ⁵	0.500	0.500	0.500
Oil and Gas Programs	Reduction	79	20	unavailable	20

In addition to the President's Savings and Reforms, the Committee has included some of its own Savings and Reforms.

Program	Classification	2005 Enacted	2006 Request	House Allowance	Committee Recommendation
Gridwise	Termination	6.448	6.745	6.468	0
Gridworks	Termination	5.456	5.000	5.00	0

- In addition to these terminations, the Committee has provided \$15.0 million in savings by closing six regional offices within the Energy Efficiency and

⁵ Money included in the Administration's request is to be used to close out the program.

Renewable Energy program (EERE). The Committee directs that the six Regional Offices be consolidated into the Project Management Center locations at the Golden Field Office and the National Energy Technology Laboratory. To allow for an orderly implementation, contract close-out and personnel relocations, the Committee provides that this consolidation be fully implemented by June 1, 2006. The Committee has reserved 20 percent for necessary close-out cost and severance payments. The Committee recognizes this is a Presidential priority and is confident the distribution of the formula based grants will not be negatively impacted. The Committee will apply \$15.0 million toward weatherization grants.

Cost

H.R. 2419 would result in the following outlays:

FY 2006	\$20.026 billion ⁶
FY 2007	\$9.167 billion
FY 2008	\$1.832 billion
FY 2009	\$0.106 billion
FY 2010 (and future years)	\$0.810 billion

Possible Amendments

Amendments are expected. Senator Feinstein is on record saying she will seek to eliminate one or more of the nuclear weapons programs, including the Robust Nuclear Earth Penetrator and test readiness. In addition, Senator Allard may offer amendments concerning pension benefits and purchasing mineral rights at Rocky Flats.

⁶ Excludes outlays from prior year budget authority.