



November 10, 2005

Highlights of the Conference Report to Accompany H.R. 2419 – Energy and Water Development Appropriations Act, 2006

On November 7, the conference report, H. Report. 109-275, was filed.

Noteworthy

- The conference report provides a total of \$31.01 billion in new budget (obligational) authority, which is \$1.28 billion above the Administration's request and \$157.0 million below the FY05 enacted level.
- The Conference Report provides \$24.29 billion for the Department of Energy, which is \$76.5 million above the Administration's request and \$129.3 million below the FY05 enacted level. In addition, the bill includes \$36 million in advance appropriations.
- The conference report provides \$500.0 million for Nuclear Waste Disposal (Yucca Mountain). This includes \$100 million for Nuclear Waste Disposal, \$350 million for Defense Nuclear Waste Disposal and \$50 million for the Secretary of Energy to plan for and initiate a competitive site selection process to develop one or more integrated spent fuel recycling facilities.
- The conference report provides \$5.38 billion for the Army Corps of Engineers, which is \$1.05 billion above the Administration's request and roughly the same as the FY05 enacted level when including emergency supplemental appropriations. Both the House and Senate passed their Energy and Water bills before Hurricane Katrina struck the Gulf Coast. Consequently, this conference report addresses that need by providing significantly more money than requested, with the majority of increased funding directed towards strengthening water infrastructure.
- On November 9, the House passed the conference report to H.R. 2419, the FY06 Energy and Water Appropriations bill, by a vote of 399-17.

Highlights

(amount in billions)

<u>Title</u>	<u>President's Request</u>	<u>Conference Report</u>
Title I—Army Corps	\$4.33	\$5.38
Title II—Dept. of Interior	\$0.95	\$1.07
Title III—Dept. of Energy	\$24.21 ¹	\$24.29 ²
Title IV—Independent Agencies	\$0.23	\$0.27
Total	\$29.73³	\$31.01⁴

Bill Provisions

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

Title I provides \$5.38 billion for the Army Corps of Engineers, which is \$1.05 billion above the Administration's request and roughly the same as the FY05 enacted level when including emergency supplemental appropriations. Significant spending accounts include the following:

General Investigations (GI):

Conference Report: Provides \$164.0 million.

Senate Committee-Reported Bill: Provided \$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.

¹ Total includes advance appropriations from a previous year.

² Total includes advance appropriations from a previous year.

³ Actual totals differ due to rounding.

⁴ Actual totals differ due to rounding.

Construction:

Conference Report: Provides \$2.37 billion.

Senate Committee-Reported Bill: Provided \$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.

Flood Control, Mississippi River and tributaries, Arkansas, Illinois, Kentucky, Louisiana, Mississippi, Missouri, and Tennessee:

Conference Report: Provides \$400.0 million.

Senate Committee-Reported Bill: Provided \$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):

Conference Report: Provides \$1.99 billion.

Senate Committee-Reported Bill: Provided \$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:

Conference Report: Provides \$160.0 million.

Senate Committee-Reported Bill: Provided \$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):

Conference Report: Provides \$140.0 million.

Senate Committee-Reported Bill: Provided \$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:

Conference Report: The conference agreement provides no appropriation for Flood Control and Coastal Emergencies. The conferees note the significant emergency supplemental appropriations made to the Corps to respond to Hurricane Katrina and other natural disasters, which are available to maintain its readiness posture.

Senate Committee-Reported Bill: 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.

Title II – Department of Interior

Title II provides \$1.07 billion for the Department of Interior, which is \$113.9 million above the Administration's request and \$47.4 million above the FY05 enacted level. Significant spending accounts include the following:

Central Utah Project Construction:

Conference Report: Provides \$31.7 million. Included within this funding is \$946,000 for **Fish, Wildlife, and Recreation Mitigation and Conservation** and \$1.7 million for **Program Oversight and Administration**.

Senate Committee-Reported Bill: Provided \$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:

Conference Report: Provides \$1.03 billion. Included in this funding is: \$883.5 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**.

Senate Committee-Reported Bill: Provided \$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 204 includes bill language regarding **drought emergency assistance**.

Title III – Department of Energy

The Conference Report provides \$24.29 billion for the Department of Energy, which is \$76.5 million above the Administration's request and \$129.3 million below the FY05 enacted level. Significant spending accounts include the following:

Energy Supply and Conservation:

Conference Report: Provides \$1.83 billion.

Senate Committee-Reported Bill: Provided \$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:

Conference Report: The conference agreement provides for the deferral of \$257.0 million in clean coal technology funding until fiscal year 2007.

Senate Committee-Reported Bill: The Committee recommended 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:

Conference Report: Provides \$598.0 million. Included in this funding is \$50.0 million for the **Clean Coal Power Initiative**, \$18.0 million for the **FutureGen** research prototype facility, \$312.0 million for **Fuels and Power Systems**, \$33.0 million for **Natural Gas Technologies**, and \$32.0 million for **Petroleum Technologies**.

Senate Committee-Reported Bill: Provided \$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:

Conference Report: Provides \$21.5 million.

Senate Committee-Reported Bill: Provided \$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:

Conference Report: Provides \$3.63 billion. Included in this funding is \$723.9 million for **High Energy Physics**, \$370.7 million for **Nuclear Physics**, \$585.7 million for **Biological and Environmental Research**, and \$1.15 billion on **Basic Energy Sciences**, and \$290.6 million for **Fusion Energy Sciences**.

Senate Committee-Reported Bill: Provided \$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.

Miscellaneous Programs:

Conference Report: Provides \$84.0 million for the **Elk Hills School Lands Fund**, \$166.0 million for the **Strategic Petroleum Reserve**, \$86.2 million for the **Energy Information Administration**, \$353.2 million for **Non-defense Site Environmental Clean Up**, \$562.2 million for **Uranium Enrichment Decontamination and Decommissioning Fund**, and \$150.0 million for **Nuclear Waste Disposal**.

Senate Committee-Reported Bill: Provided \$84.0 million for the **Elk Hills School Lands Fund**, \$166.0 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:

Conference Report: Provides \$16.38 billion for Atomic Energy Defense Activities (AEDA). These moneys include \$9.20 billion for the **National Nuclear Security Administration**, \$6.19 billion for **Defense Site Environmental Clean Up**, \$350.0 million for **Defense Nuclear Waste Disposal**, and \$642.0 million for other defense activities. Within the AEDA, \$473.5 million is provided for **Fissile Materials Disposition**.

Senate Committee-Reported Bill: Provided \$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:

Conference Report: Provides \$272.5 million. Included in these funds is \$5.6 million for the **Southeastern Power Administration**, \$234.0 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**.

Senate Committee-Reported Bill: Provided \$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:

Conference Report: Provides \$220.4 million.

Senate Committee-Reported Bill: Provided \$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 301 requires the Secretary to open up to competitive bidding management and operating contracts of certain Department of Energy and National Nuclear Security Administration laboratories. Section 304 prohibits the use of funds in the bill to initiate requests for proposals for new programs that have not yet been presented to Congress in the annual budget submission and that have not been approved and funded by Congress.

Title IV – Independent Agencies

Title IV provides \$271.1 million for independent agencies, which is \$36.9 million above the Administration’s request.

Conference Report: Provides \$66.4 million for the **Appalachian Regional Commission**; \$22.0 million for the **Defense Nuclear Facilities Safety Board**; \$12.0 million for the **Delta Regional Authority**; \$50.0 million for the **Denali Commission**; \$117.2 million for the **Nuclear Regulatory Commission**; and \$3.6 million for the **Nuclear Waste Technical Review Board**.

Senate Committee-Reported Bill: Included in these funds is \$65.5 million for the **Appalachian Regional Commission**; \$22.0 million for the **Defense Nuclear Facilities Safety Board**; \$12.0 million for the **Delta Regional Authority**; \$67.0 million for the **Denali Commission**; \$136.6 million for the **Nuclear Regulatory Commission**; and \$3.6 million for the **Nuclear Waste Technical Review Board**.

President's Program Terminations

(in millions of dollars)

Program	Classification	2005 Enacted	2006 Request	House Allowance	Senate Bill	Conference
Environmental Management	Reduction	6,808	6,015	6,468	6,336	6,192
Nuclear Energy Research Initiative	Termination	2	0	0	0	0
Nuclear Energy Plant Optimization	Termination	2	0	0	0	0
Hydropower Program	Termination	0.496 ⁵	0.500	0.500	0.500	0.500
Oil and Gas Programs	Reduction	79	20	unavailable	20	20

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

Program	Classification	2005 Enacted	2006 Request	House Allowance	Senate Bill	Conference
Gridwise	Termination	6.448	6.745	6.468	0	1.5
Gridworks	Termination	5.456	5.000	5.00	0	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 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.

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