

In the News

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Statement of Chairman Peter J. Visclosky **Subcommittee Markup: Fiscal Year 2009 Energy and Water Development** **Appropriations Act**

The Fiscal Year 2009 Energy and Water Development Appropriations Act provides an opportunity to address critical issues that affect our economic vitality, environment, and national security. The lack of a coherent energy policy in years past has led to record-high gas prices that hurt every American, to copious amounts of environmentally-destructive greenhouse gas emissions, and to dependence on foreign oil that puts our national security at risk. Similar failures to make adequate investments in infrastructure in years past have led to devastating floods and slowed our shipping network. The bill that is before us today addresses high fuel prices and climate change, sets us on a path toward energy independence, makes a major investment in critical infrastructure, advances our nonproliferation efforts, and supports funding to secure our nation's nuclear weapons stockpile.

Given the serious energy and water development needs of our country, total funding for energy and water development in fiscal year 2009 is \$33,265,000,000. This funding amount represents an increase of \$2,078,300,000 above the President's budget request and \$2,377,000,000 above the amount appropriated in fiscal year 2008.

Addressing High Gas Prices

While I am home in Indiana, the first thing everybody asks me is, "What are you doing to bring down the price of a gallon of gas?" Good, hardworking Americans are struggling to make ends meet as they are forced to spend too much of their incomes on the gas they need to drive to work. Our country faces a paramount problem that we need to solve.

On February 28, this Subcommittee held a hearing on the rising price of gasoline, with witnesses from major auto companies and our national laboratories who testified on new technologies to increase automobile fuel efficiency and develop alternative fuels. On that day in February, less than four months ago, the price of gasoline was \$3.13 a gallon. Today it is \$4.03 a gallon—a 29 percent increase in merely four months.

The problem of the rising price of gas is both urgent and multi-faceted, so the solutions must be as well. There is no silver bullet and this Subcommittee cannot change the price of gas tomorrow, but we can take action today to mitigate the economic consequences of high gas prices while we protect our environment and improve our national security. As is evident in our fiscal year 2009 bill, the Energy and Water Development Subcommittee is committed to all that is possible to solve the problem of high gas prices. This Congress, which passed significant energy legislation last year, is taking the initiative to pursue new solutions in which the American people will get the most bang for their buck:

- This bill provides significant funding for fuel efficiency research to develop technologies that squeeze more miles per gallon from our vehicles, in both personal and public transportation;
- From a national security perspective, we invest in technology that will diversify our nation's fuel supply by funding research into biofuels and other alternative energy sources so that we can reduce our dependence on foreign oil;
- To protect our environment, we support research toward technologies to displace the use of gasoline and oil and reduce carbon emissions.

Specifically, the fiscal year 2009 bill provides \$305 million for Vehicle Technology research, an increase of \$84 million over the budget request and \$92 million over the current year, to pursue technology breakthroughs that will greatly reduce petroleum use by automobiles and trucks of all sizes. The bill also provides \$250 million for Biomass and Biorefinery Systems Research and Development, an increase of \$25 million over the budget request and \$52 million over the current year, to research advanced technologies that will enable future biorefineries to convert cellulosic biomass to fuels, chemicals, heat, and power.

Beyond that, the bill provides \$500 million not in the budget request for new federal assistance programs authorized in the Energy Independence and Security Act of 2007. That funding includes \$25 million for Renewable Fuel Infrastructure Grants to retail and wholesale motor fuel dealers for installation and storage of renewable fuel blends, \$295 million for Energy Efficiency Block Grants, and sufficient funding to support \$1 billion in direct loan obligational authority for the Advanced Technology Vehicles Manufacturing Incentive Program, which provides direct loans for automakers and suppliers converting their facilities to manufacture new vehicles that are more fuel efficient and less dependant on fossil fuels.

Broadly, the fiscal year 2009 bill provides \$2.52 billion for Energy Efficiency and Renewable Energy (EERE) programs, an increase of \$1.26 billion over the budget request and \$796.1 million over the fiscal year 2008 enacted level. The Committee provides \$1.57 billion, an increase of \$369 million over the President's request, for renewable energy and conservation research and development activities and \$318 million, an increase of \$260 million, for existing federal energy assistance programs, including \$250 million for Weatherization Assistance funding, which the Administration had zeroed-out.

Ensuring Effective Project Management

Poor project management negatively affects every facet of the Department of Energy's endeavors, and it is the Committee's number one organizational concern at the Department. DOE spends 90 percent of its annual budget on contracts, more than any other government

agency, to operate laboratories, production facilities, and environmental restoration sites. Since 1990, the Government Accountability Office (GAO) has made an annual assessment of programs that are at high-risk for fraud, waste, abuse, and mismanagement, and every year DOE has made the high-risk list. In the fiscal year 2008 bill, the Committee directed DOE to work with GAO to develop a concrete plan to get off the high-risk list and we have seen little if any progress made. This year we renew that directive.

Coal and Nuclear Energy

The threat of global warming poses serious challenges to the continued use of coal and other fossil fuels for power generation, and will require the development of low-cost carbon capture and sequestration technologies. To this end, the recommendation provides \$853.6 million, an increase of \$99.6 million over the request for Fossil Energy Research and Development. The recommendation includes \$241 million in new funding and directs the use of prior year balances for carbon capture demonstration initiatives.

The Committee's recommendation for nuclear energy research and development represents a responsible approach to the nation's use of nuclear power. The recommendation provides \$200 million for demonstrating the GEN IV nuclear reactor technology, an increase of \$130 million over the President's request, but provides no funding for the Administration's counterproductive, poorly designed, and poorly executed Global Nuclear Energy Partnership (GNEP). Funding for the Advanced Fuel Cycle Initiative is \$120 million, with \$90 million funded through the Nuclear Energy Program and \$30 million funded in the Office of Science.

Science

The bill recommends over \$4.86 billion for science, \$140 million above the President's request and an increase of \$844 million over the fiscal year 2008 enacted level. Science funds cutting-edge energy research which will be critical for addressing our long-term energy needs. This bill substantially funds the increase in the Science account authorized in the America COMPETES Act. It will provide for 2,600 more research personnel, including graduate students, to address major concerns over the availability of highly educated scientists and engineers whose innovations drive economic growth. The Committee also makes major investments in laboratory infrastructure, embraces proposals to build two dozen Energy Frontier Research Centers focused on addressing critical energy research needs, and provides \$539 million, \$15 million above the President's request, for climate change research and scientific computing efforts.

Innovative Technology Loan Guarantees

The bill supports the Administration's request to extend the loan guarantee authority for Innovative Technology projects through fiscal year 2011, and the recommendation includes \$18.5 billion in loan guarantee authority for energy efficiency and renewable energy technologies, an increase of \$8.5 billion in authority over previous limitations.

Confronting Nuclear Threats

The President's request is long on weapons and short on nonproliferation. Compared to the previous year, the weapons request is up five percent while the nonproliferation request is down six percent. This request is not well focused on the threats we face in 2009 and beyond.

The Energy and Water Development bill reduces Weapons Activities from the requested \$6.6 billion to \$6.2 billion. It increases Nuclear Nonproliferation from the requested \$1.2 billion to \$1.5 billion. I hope that the next Administration will better recognize the national security benefits of nuclear nonproliferation.

Last year, the Administration proposed the Reliable Replacement Warhead (RRW) as the first of a new generation of nuclear warheads. The Administration promotes the advantages of a new design offering better surety, better reliability, and lower yield, but RRW was offered in a vacuum and there was no new strategy behind it. There was no plan for what the weapons were to be used for, how many there were to be, or how they were to be made. So, Congress refused to fund the RRW.

This year, the Committee again reiterates that before considering funding for most new programs, substantial changes to the existing nuclear weapons complex, or funding for RRW, the following sequence must be completed: First, replacement of the Cold War era strategies with a 21st Century nuclear deterrent strategy sharply focused on today's and tomorrow's threats that is capable of serving the national security needs of future Administrations and future Congresses without the need for nuclear testing; second, determination of the size and nature of the nuclear stockpile sufficient to serve that strategy; and finally, determination of the size and nature of the nuclear weapons complex needed to support that future stockpile. Of course, we need to be looking at all three at once, but the decisions have to flow in that order. With no such plan delivered, the fiscal year 2009 bill again denies all funding for RRW. There is no sense in expending the taxpayer's hard earned dollars absent a clear plan for the complex.

Our greatest threat is the use of a nuclear weapon, or nuclear material, in an act of terror. Because of this fact, the Committee recommends adding \$283 million to the request for Defense Nuclear Nonproliferation, of which \$237 million is for the critical areas of safeguards, material protection and removal, and de-enrichment. The recommendation also doubles the Administration's request for nuclear weapon surety, since surety is our last line of defense against an adversary's attempt to use our own weapons against us.

Environmental Cleanup

There is a large and unfortunate legacy of contamination from the past 60 years of nuclear weapons manufacture and various cancelled approaches to handling spent fuel. This bill enables completion of several smaller sites in fiscal year 2009, and sustains cleanup of a number of larger sites. The bill provides an increase of \$221.5 million over the request for Defense and Non-Defense Environmental Management programs, and the Uranium Decontamination and Decommissioning account.

Improving our Water Infrastructure

The President's budget request for infrastructure was badly deficient and incapable of meeting the needs of the nation. In fact, it went so far as to cut funding by nearly \$1 billion from the fiscal year 2008 enacted level. In order to meet America's needs, the Committee recommends an increase of \$592 million above the President's request for the Corps of Engineers and an increase of \$109 million above the President's request for the Bureau of

Reclamation. These investments will provide increased transportation efficiency on our nation's waterways, job creation, clean water, and, most importantly, ensure the safety of our citizens.

The bill recommends funds to complete 21 projects and to initiate 20 projects to address the changing needs of our communities.

The Committee recommendation includes funding for projects cost shared from the Inland Waterways Trust Fund largely as requested. However, to achieve this level of funding the Committee has suspended withdrawal of funds from the Trust Fund for several major rehabilitation projects. This temporary change in policy is necessary due to the Administration's failure to address declining revenues. The Committee expects that once the revenue stream to the Trust Fund is restored, the total cost of these major rehabilitation projects will once again be cost shared at fifty percent.

Since Hurricane Katrina, we have witnessed the consequences of not investing in our water infrastructure and not getting things done. Now, as large parts of the Midwest are suffering severe flooding, we are reminded again how important it is to adequately maintain our infrastructure and to improve and expand it for the 21st Century.

Conclusion

In closing, I would like to thank Mr. Hobson, the Ranking Member, for his years of leadership on this Subcommittee and in Congress, his stewardship of the programs in this bill and throughout the federal government, and his friendship and courtesy over the years. This is his last Energy and Water Development Subcommittee markup before he retires and I am happy to say that he will leave behind a great legacy. As Chairman, he stood up for what he thought was right, asserting the House's position on energy policy and turning what was the de facto Water Development Subcommittee into the Energy and Water Development Subcommittee. He has also been a true believer in, and practitioner of, bipartisanship and the Subcommittee has operated collaboratively and effectively because of that. Thank you David for your many years of great work on this Subcommittee.

I would also like to thank the other members of the Subcommittee for their hard work and input while drafting this bill and for the teamwork they put forth in all the hearings we held. The work of each Member of this Subcommittee has been exemplary.

I also thank Chairman Obey for his leadership and support at the full Committee, which enabled us to fill the gaps in the President's request and also fund important new initiatives. And I thank Ranking Member Lewis for his leadership on the Committee.

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