



No. 37

September 15, 2003

H.R. 2754/S. 1424 – Energy and Water Development Appropriations Act, FY 2004

Calendar No. 213

Reported as an original bill on July 17, 2003 from the Committee on Appropriations by a vote of 29-0; S. Rept. 108-105.

NOTEWORTHY

- By unanimous consent, the Senate began consideration of H.R. 2754 on September 11, and resumes consideration today at 2:30 p.m. At press time, there was no agreement on amendments or debate time.
- S. 1424, the Senate-reported bill, provides \$27.31 billion in new budget authority for FY04, an amount which is \$366.8 million above the budget request and \$1.24 billion above the enacted appropriation for the current fiscal year.
- The bill funds no new construction starts for the Army Corps of Engineers. The Committee recommends \$4.43 billion for the Corps for FY04, \$232.7 million above the administration's budget request. The Committee expressed concern that the Administration's FY04 budget request for the Corps is about \$450 million less than the amount appropriated in FY03, and that the budget request provides 29 percent of the appropriated funds to only eight projects and leaves the remaining projects underfunded. Moreover, the Committee also noted the huge and increasing backlog of infrastructure development, maintenance, and repair projects over which the Corps has jurisdiction.
- The bill provides \$8.92 billion in FY04 funding for the National Nuclear Security Administration to improve security at U.S. nuclear facilities, which is \$85.8 million more than the budget request. Of the committee-recommended amount, \$6.47 billion is for nuclear weapons-related activities.
- S. 1424 provides \$459 million for renewable energy resources, \$15 million above the budget request and \$40 million above the FY03 amount.

Highlights

The House passed its energy and water funding bill, H.R. 2754, on July 18, by a vote of 377-26, providing \$27.1 billion.

S. 1424 provides funding for civil works projects of the Army Corps of Engineers, the Department of the Interior's Bureau of Reclamation, most of the Department of Energy, and several independent agencies, including the Nuclear Regulatory Commission and the Appalachian Regional Commission. The Senate Appropriations Committee recommended the following amounts for these agencies:

- Army Corps of Engineers \$4.43 billion
- Department of the Interior projects \$989.5 million
- Department of Energy programs \$22.15 billion
- Independent Agencies \$229.9 million

The bill provides slightly less than the requested amount for Department of Energy programs – \$22.16 billion was requested compared to \$22.15 billion provided – but provides more than requested for water programs and the independent agencies.

Bill Provisions

Title I - Department of Defense: Corps of Engineers - Civil

- The Committee continues the basic mission and activities of the Corps of Engineers and appropriates \$4.43 billion (\$212 million below FY03). The Committee exceeds the Administration's FY04 budget proposal by \$232.7 million. The Committee recommends appropriations including \$131.7 million for general investigations; \$1.54 billion for construction of water resource projects; and \$329 million for Mississippi River and tributaries flood control. The Committee appropriates \$1.95 billion for operation and maintenance activities of the Corps, \$21.44 million more than the FY03 appropriation and \$10 million more than the budget request.

Title II - Department of the Interior (Water Resources Development)

- The Committee appropriates \$989.51 million for FY04 for the Department of the Interior for water resources development programs. This amount is \$67.3 million above the budget request and \$17.2 million more than the amount for FY03.

- Of the total amount provided in Title II, the bulk of it, \$988.03 million, is for the **Bureau of Reclamation**. This includes the following funding items: \$853.5 million for the Bureau of Reclamation's Water and Related Resources projects, \$82.3 million more than the Administration's request; \$39.6 million for the California Central Valley Project Restoration Fund, the same as the budget request and \$9 million less than the FY03 amount; and \$56.53 million for Policy and Administrative Expenses, the same as the budget request and \$2 million over the FY03 amount.
- The Committee allocates \$44.2 million for the **Central Utah Project Completion Account**, the same as the budget request and \$8.2 million over the FY03 appropriation.

Title III - Department of Energy

- **Total Funding:** In Title III of the bill, the Committee provides \$22.15 billion for the various functions of the Department of Energy, which include general administrative expenses, nuclear weapons and environmental restoration programs, nuclear research activities, and the power marketing agencies; this amounts to \$1.31 billion more than FY03, and \$15.16 million less than the President's request.
- **Energy Supply Programs:** The bill provides \$920.4 million for these programs, which include solar and renewable energy resources, nuclear energy, electricity transmissions and distribution, non-defense environmental management, safety and health, and other energy support activities. This amount is \$223.5 million more than FY03 and \$58.6 million more than the Administration's request. The Committee recommends \$459 million for renewable energy research and development, which is \$40 million more than FY03 and \$15 million more than the budget request; and \$437.4 million for nuclear energy, which is \$177.4 million more than the FY03 amount and \$46.8 million above the President's request. The Committee directs the creation of a new Office for Electricity and Energy Assurance, reporting directly to the Under Secretary for Energy, Science and Environment. The office shall lead a national effort to modernize and expand our Nation's electricity delivery system to ensure economic and national security.
- **Non-Defense Environmental Programs:** The Committee provides \$870.1 million for environmental cleanup programs. The Committee provides \$171.8 million for **Non-Defense Site Acceleration Completion** to manage and address the environmental legacy resulting from nuclear energy and civilian energy research programs. This is \$1 million more than the budget request. There were no FY03 appropriations for this program. The Committee provides \$396.1 million for the **Uranium Enrichment Decontamination and Decommissioning Fund**, \$22 million less than the budget request; and \$302.1 million for **Non-Defense Environmental Services**, \$10 million more than the budget request.

- **Nuclear Waste Disposal Fund:** The Committee recommends \$140 million for civilian nuclear waste disposal for FY04, all derived from the nuclear waste fund. The amount is \$21 million below the budget request and \$4 million below the amount appropriated for FY03. For Defense nuclear waste disposal, the Committee makes available \$285 million from the “Defense nuclear waste disposal” account. The amount for defense is \$28 million less than the FY03 appropriation and a reduction of \$145 million from the budget request. The “Defense nuclear waste disposal” fund was established to ensure payment of the government’s contribution to the nuclear waste repository program.
- **Yucca Mountain:** The bill also provides \$425 million for construction costs at Yucca Mountain, which is \$166 million below the request.
- **Science:** The Committee recommends \$3.36 billion for FY04 — \$99.11 million more than FY03 and \$49.5 million more than the Administration’s budget request.
 - **High Energy Physics:** The Committee recommends \$738 million, the same as the Administration’s request and \$15.7 million more than FY03.
 - **Nuclear Physics:** The Committee recommends \$389.4 million, the same amount as the budget request and \$7.6 million more than FY03.
 - **Biological and Environmental Research:** The Committee provides \$534 million for FY04, which is \$34.5 million more than FY03 and \$27.4 million more than the budget request.
 - **Basic Energy Sciences:** The Committee recommends \$1.01 billion for FY04, the same amount as the budget request and \$14.7 million less than FY03.
- **Atomic Energy Defense Activities:** The Committee recommends \$16.5 billion for this category, \$726.7 million more than the FY03 amount and \$66.1 million less than the budget request. As a result of the enactment of the National Nuclear Security Administration Act, the Committee in FY00 put in place a new account structure that includes the following separate appropriations accounts for the National Nuclear Security Administration (NNSA): weapons activities; defense nuclear nonproliferation; naval reactors; and Office of the Administrator. The Committee recommends \$8.92 billion for the NNSA (\$85.8 million more than the budget request and \$742.82 million more than FY03). Of this total, \$6.47 billion is for weapons activities, \$1.34 billion is for defense nuclear nonproliferation; \$768.4 million is for naval reactors; and \$338 million is for the office of the administrator, which is \$12.9 million more than the FY03 amount.
- **Defense Environmental Management:** The Committee also includes Defense Environmental Management under Atomic Energy Defense Activities, and recommends \$6.76 billion for

environmental management, \$51.4 million below the budget request and \$35.3 million over the FY03 appropriation.

— **Defense Site Acceleration Completion:** Of the \$6.76 billion provided for defense environmental management, \$5.77 billion is for Defense Site Acceleration Completion, money that was not appropriated in FY03. This is \$43.9 million less than the budget request. The program is responsible for managing and addressing the environmental legacy resulting from nuclear weapons-related activities.

— **Defense Environmental Services:** Also out of the Defense Environmental Management account, the bill provides \$987.7 million for defense related activities that indirectly support the primary environmental management mission of accelerated risk reduction and closure. This is \$7.5 million less than the budget request.

- **Other Defense Activities:** The Committee provides \$492.2 million for other defense activities, \$30.5 million less than the budget request and \$19.5 less than the FY03 appropriation.
- **Power Marketing Administrations:** The Committee recommends \$214.3 million, which is \$7 million more than the budget request and \$12 million more than the amount provided in FY03.
- **Federal Energy Regulatory Commission:** The Committee appropriates \$199.4 million – the same as the budget request and \$7.4 million more than FY03. (Revenues are established at a rate equal to the amount provided for program activities resulting in a net appropriation of zero.)

Title IV - Independent Agencies

- **Appalachian Regional Commission:** The Committee recommends \$71.2 million for FY04, \$38 million more than the budget request and \$318,000 more than the amount appropriated for FY03.
- **Defense Nuclear Facilities Safety Board:** The Committee recommends \$19.6 million for FY04, which is the same as the budget request and \$683,000 more than the amount appropriated for FY03.
- **Delta Regional Authority:** The Committee provides \$7 million for FY04, \$5 million more than the budget request and \$948,000 less than the FY03 appropriation.
- **Denali Commission:** The Committee recommends \$48.5 million for FY04, which is \$39 million more than the budget request and \$812,000 more than the FY03 appropriation.
- **Nuclear Regulatory Commission:** The Committee provides \$80.5 million for the Nuclear Regulatory Commission. This is the same as the budget request and \$22.4 million more than the FY03 appropriation.

- **Nuclear Waste Technical Review Board:** The Committee provides \$3.2 million for FY04, the same as the budget request and essentially the same as the FY03 appropriation.

Cost

S. 1424 provides a total of \$27.313 billion in discretionary budget authority.

Administration Position

According to the Statement of Administration Policy, issued September 11, 2003, the Administration supports passage of the FY 2004 Energy and Water Development Appropriations Bill, as reported by the Senate Appropriations Committee. According to the committee report, the committee's recommendation is \$366.8 million over the administration's request, but the SAP says preliminary scoring shows the bill exceeds the President's request by over \$700 million.

Possible Amendments

These amendments were known to be possibilities at press time.

Nuclear weapons activities – There will likely be one or more amendments to strike funding for research on new nuclear weapons.

Emergency spending for water projects – There will be an amendment to add \$125 million for water projects in emergency spending.

Electricity-related amendment – The Democrats may offer an electricity- related funding amendment to address concerns raised from the August 14 blackout.