

**Senator Dianne Feinstein (D-Calif.)**  
**Senate Energy And Water Development Subcommittee**  
**Fiscal Year 2012 Markup**  
**September 6, 2011**

The meeting of the subcommittee will come to order.

We are here to consider the fiscal year 2012 Energy and Water Development appropriations bill and report it for consideration to the full committee on appropriations, which actually is tomorrow.

I want to thank my colleague and ranking member, Senator Alexander. We are Chair and Ranking Member, so I've had the good occasion to work with him for a period of time. I wish every Senator could be in your model, because it's been a wonderful experience for me. I want to thank you for your level of cooperation and straightforward way of operation. It's been great, thank you.

With regard to process, I would like to remind the subcommittee members that we received an allocation for this bill just three weeks ago. That's a very short time to prepare a bill that deals with many complex issues.

Only with the herculean efforts of the subcommittee staff, who I must say worked nights and weekend. One had a baby during that period of time. Actually, his wife had a baby, but you get some credit. In close partnership with Senator Alexander am I able to present a bill today that I think addresses the water infrastructure, energy, and nuclear security challenges facing the nation.

I would ask my colleagues to hold any amendments they are considering until the full committee.

Further, if you are considering amendments for the full committee, please send copies of these to the subcommittee staff as soon as possible so that we can try to clear them on both sides.

Our allocation is \$31.625 billion after score keeping adjustments. The allocation is \$57 million less than the fiscal year 2011 enacted level. In the security area, it is up \$528 million dollars. This includes the four areas of NNSA concern: weapons, naval reactors, nonproliferation, and the Office of Administration. That is an amount, then, that needs to be added to these programs.

Non-security is down \$584 million, and I think that gives you a pretty good idea of where the money goes and where one would need money to go. Given the challenging fiscal environment, the bill provides no funding for new water infrastructure projects. Of the many new starts for the Department of Energy proposed in the President's budget request, the bill funds only those few that do not carry significant long-term liability, meaning costing more money over the years

While many programs are below fiscal year 2011 levels, the bill maintains funding for the highest priorities:

- critical water infrastructure
- advancing clean energy technologies, and
- nonproliferation and nuclear weapons programs. Clearly the latter is the 800 pound gorilla in this appropriation.

Regarding water infrastructure, the Corps of Engineers would receive \$4.864 billion, that's an increase of just \$7 million above fiscal year 2011 and \$291 million above the President's request. The Department of the Interior would receive \$1.067 billion, \$27 million less than fiscal year 2011 but still \$16 million more than the President's request.

We funded these this way because we believe it's important that these are projects that produce jobs. These are the basic infrastructure projects that are part of the nation's constellation of physical improvements.

The additional funding supports ongoing projects for the Corps that were either unfunded or underfunded in the President's budget request. Were this funding not included, these projects would have been suspended.

The bill also provides \$1.045 billion in disaster relief funding to repair damaged infrastructure from flooding on the Mississippi and Missouri Rivers. Let me point out that this is an additional allocation given to us by people above our pay grade so that we are able to fund these disasters. It's not sufficient to cover all the damages that have occurred, particularly the most recent events such as Hurricane Irene and Tropical Storm Lee.

However, it does cover the damages that the Corps can quantify at this time. We will continue to monitor this situation and make adjustments as the bill progresses. To those of you that are in states which are very badly damaged by what has been happening, please know that the Chairman and I'm sure the Ranking Member care very, very much. I come from earthquake country, so I know what this means. We have tried to respond.

Regarding clean energy technology, the bill provides \$250 million for ARPA-E, an increase of \$70 million, or 39%. This federal investment will accelerate commercialization of future energy technologies that can reduce our dependence on foreign oil and tackle carbon emissions. The President's request was \$550 million. However, this request exceeded the congressionally authorized funding level of \$306 million.

The bill also provides \$200 million in credit subsidies for renewable energy technologies to promote innovation and leverage private sector investment in clean energy that will create jobs.

Now the Office of Science-the Office of Science would receive \$4.843 billion, the same as fiscal year 2011, to support fundamental research in areas of science that will make a real impact on changing the way we produce, store, and use energy, such as new batteries for electric vehicles and advanced biofuels.

The President's request for Science was \$5.4 billion, \$600 million more than fiscal year 2011. Since we had to find \$544 million in cuts to the Department of Energy in this bill, such a large funding increase was unrealistic. So despite what you see the increase, know that is in a way mandatory spending on the weapons and nuclear side.

While the government continues to invest in innovative energy technologies, nuclear energy continues to provide 20% of the nation's electricity, but it also provides 70% of our carbon free power. That's a big number. Clearly, nuclear energy can continue to be an important source of energy for this country. It is clean power.

However, before we expand nuclear power in the United States, I strongly believe we must first understand the lessons from Fukushima and ensure that all 104 of our current reactors are operating as safely as possible. We must also address our spent fuel situation so as to limit to government's liability due to failing to take this waste. Most people- well, I'll get to that in a minute.

For this reason, the bill provides \$584 million, that's a reduction of \$142 million, for the Office of Nuclear Energy to focus more on safety and the back end of the nuclear fuel cycle.

For example, the bill provides \$52 million, an increase of \$12 million from fiscal year 2011, to accelerate development of new cladding materials for nuclear fuel that reduce the likelihood of a melt-down in a reactor core as well as hydrogen explosions, which were observed at Fukushima.

Secondly, the United States needs a strategy for dealing with its spent fuel. The United States has 65,000 tons of spent fuel at 74 different sites. To date, the U.S. government has paid out \$1 billion to industry because of the failure of our government to take custody of this fuel as is required by law. Here's what happens. This liability will grow to \$15.4 billion by 2020 and \$500 million for each year of delay after 2020. So there is a serious fiscal punishment for not having a proper fuel storage system in this country.

So, this bill takes the first step in requiring the Department of Energy to create a strategy for spent fuel storage, including options for consolidating and storing spent fuel at one or more regional sites.

The consequences of nuclear production are also clear when it comes to clean-up of former nuclear production sites.

This bill provides \$5.002 billion, that's an increase of \$22.6 million above fiscal year 2011, for the Office of Environmental Management to reduce the greatest risks to the environment and public health from Cold War era nuclear materials. Particularly what's happening at Hanford.

Regarding national security, the allocation for the National Nuclear Security Administration is \$11.05 billion, that's an increase of \$528 million, or 5%, above fiscal year 2011. This is a very robust increase considering the rest of the Department of Energy is down \$566 million.

The highest priority is meeting the goal of securing all vulnerable nuclear materials in 4 years. The bill provides \$2.383 billion, an increase of \$109 million, or 4.7%, from fiscal year 2011, and \$167 million less than the President's request.

The bill also provides \$7.190 billion, an increase of \$294 million, or 4.2%, above fiscal year 2011. This funding will allow the Department to meet its highest priorities identified in the Nuclear Posture Review, including the funding of life extension programs for 3 weapons systems and complete design and engineering work for new uranium and plutonium facilities.

The Naval Reactors program would see an increase of \$141 million, or 14.6%, to develop a new reactor core for the Ohio-class submarine.

Overall, I believe we have developed a well-balanced and responsible bill.

Finally, I would also like to thank Senator Alexander's staff, Carrie Apostolou, Tyler Owens, and Tom Craig, and my staff Doug Clapp, Leland Cogliani, Roger Cockrell, and Molly Barackman for their bipartisan work in putting this bill together. It is very much appreciated. If I may, I'd like to turn to our distinguished Ranking Member, Senator Alexander.