



**EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503**

July 27, 2009
(Senate)

STATEMENT OF ADMINISTRATION POLICY

H.R. 3183 — Energy and Water Development and Related Agencies

Appropriations Act, 2010

(Sen. Inouye, D-Hawaii)

The Administration supports Senate passage of H.R. 3183, with the Committee-reported text of S. 1436, making appropriations for energy and water development and related agencies for the fiscal year ending September 30, 2010.

The President's Budget called for significant investments that would help to build a new economy powered by clean and secure energy, expanded scientific research, and facilities that lead the world in innovation and development. These investments are designed to further solutions to create new industries and new opportunities for Americans for decades to come.

This bill invests in the sciences, encouraging innovative technologies that will be central to the Nation's energy independence. The legislation makes long overdue commitments to improve infrastructure, focusing on high-return investments and the reliable operation of those facilities that are of central importance to the Nation. Additionally, and importantly, the legislation follows through on the Nation's commitments to the Gulf Coast region, still recovering from historic storms from years past, and works to prevent such devastation from future storms.

The Administration would like to take this opportunity to share additional views regarding the Committee's version of the bill.

Administration Priorities

Office of Science. The Administration is concerned about the Committee's reduction to the Department of Energy's Office of Science, a key component of the President's Plan for Science and Innovation. The Committee's level would not maintain the President's proposed path to double the funding for this office over 10 years.

Energy Innovation Hubs and RE-ENERGYSE. The Administration strongly opposes reductions in funding for the Energy Innovation Hubs and RE-ENERGYSE. The Hubs will advance highly promising areas of energy science and technology from their early states and RE-ENERGYSE will help develop the science and engineering workforce needed to bring those ideas to life by encouraging tens of thousands of American students to pursue careers in science, engineering, and entrepreneurship related to clean energy.

Electricity Delivery and Energy Reliability. The Administration is concerned with the Committee's \$35 million reduction to Smart Grid Research and Development.

Efficiencies and Cost-Saving Proposals. The Administration urges the Congress to support the President's initiatives to terminate or reduce programs that fund narrowly focused activities, duplicate existing programs, or that have outlived their usefulness, such as Los Alamos Neutron Science Center, which was built 30 years ago and no longer plays a critical role in weapons research. The Administration also encourages the Congress to reconsider the termination of activities where industry has strong incentive to carry out its own research such as oil and gas research.

Department of Energy

Office of Energy Efficiency and Renewable Energy. The Administration urges the Congress to fully fund the request for the Office of Energy Efficiency and Renewable Energy. The research, development, and demonstration of solar energy and building technologies are two areas where investments can make large contributions toward a clean energy economy.

Office of Nuclear Energy. The Administration is concerned with the Committee's reallocation of funds among nuclear energy programs because it reduces the critical investment in longer-term research and development, undermining the goal of building a solid foundation for the long-term use of safe and secure nuclear power. In addition, the Administration strongly urges the Congress to restore funding to re-establish a domestic Pu-238 production capability, which is essential to make sure Pu-238 will be available when needed for planned NASA missions as well as future national security applications.

Energy Information Administration. The Administration urges the Congress to restore funds to allow the Energy Information Administration to undertake important energy analysis and statistical work, such as gathering critical information on energy use and the performance of Federal energy efficiency programs and to improve the statistical reliability of home energy use data.

Office of Civilian Radioactive Waste Management. The Administration remains committed to meeting the Federal Government's obligations for managing and ultimately disposing of spent nuclear fuel and high-level radioactive waste, and is establishing a Blue Ribbon Commission to evaluate options and make recommendations for a new plan for the back end of the fuel cycle. All of the fees collected in the Nuclear Waste Fund are essential to meet those obligations.

National Nuclear Security Administration (NNSA). The Administration is concerned with the \$28 million funding reduction to the Pantex Renewable Energy Project. The reduction would result in delays to the first major NNSA renewable energy project in support of the Energy Policy Act goal of acquiring at least 7.5 percent of annual electricity from renewable sources by FY 2013.

Corps of Engineers (Civil Works)

Aquatic Ecosystem Restoration. While the Administration appreciates the Committee's support of the South Florida ecosystem restoration program, the Congress is urged to restore funding for key initiatives to make progress in restoring this diverse ecosystem and to increase water supply. In addition, the Congress is urged to remove sections 115 and 116 of the bill, which would obstruct compliance with a court order.

Flood and Storm Damage Reduction. The Administration urges the Congress to restore the requested \$41 million for a base annual level of funding needed to prepare for floods and other

natural disasters in lieu of continuing to provide these funds through periodic supplemental appropriations. The Congress is urged to restore the \$2 million requested for the Water Resources Priorities study, a high-priority interagency evaluation of the Nation's vulnerability to flooding.

Reprogramming Provisions

Sections 101 and 201 of the bill contain restrictions on the reprogramming of funds that present significant management challenges for the Department of the Interior and the Corps of Engineers in the execution of their responsibilities. The Congress is urged to adopt the President's proposal with respect to these provisions.

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