



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

June 25, 2004  
(House)

## STATEMENT OF ADMINISTRATION POLICY

### H.R. 4614 – Energy and Water Development Appropriations Bill, FY 2005

(Sponsors: Young (R), Florida; Obey (D), Wisconsin)

The Administration supports House passage of the FY 2005 Energy and Water Development Appropriations Bill.

The President supports a discretionary spending total of not more than \$819 billion, in addition to the \$2.5 billion in advance appropriations for Project BioShield, consistent with his FY 2005 Budget. The President's Budget responsibly holds the growth in total discretionary spending to less than four percent and the growth in non-security spending to less than one percent, while providing the critical resources needed for our Nation's highest priorities: fighting the War on Terror, strengthening our homeland defenses, and sustaining the momentum of our economic recovery.

Consistent with the need for responsible spending restraint, the Administration urges the Congress to fully fund unavoidable obligations and not to include any emergency funding, including contingent emergencies, unless mutually agreed upon in advance by both the Congress and the Administration. Within this context, the Administration urges the House to fully fund Presidential priorities, such as the Nuclear Waste Repository at Yucca Mountain, NV and the Hydrogen Fuel Initiative.

The Administration is pleased that the Committee-reported bill is consistent with the overall \$819 billion discretionary total and looks forward to working with the House to address the following concerns.

#### Administration Priorities

*Nuclear Waste Repository.* It is vital to secure nuclear waste now scattered at 126 sites in 39 States in one appropriate underground facility. Further delay increases the costs and security risk of storing materials at these various sites. Therefore, it is imperative that the Department of Energy (DOE) have the necessary resources for licensing and constructing the repository at Yucca Mountain, Nevada. The President's Budget contains a proposal to facilitate the long-term financing for this project and the Energy and Commerce Committee has reported a bill consistent with the proposal. We strongly urge the House to adopt this financing proposal and will continue to work with the Congress to ensure its enactment.

*Hydrogen Fuel Initiative.* The Administration strongly urges the House to fund the President's Hydrogen Fuel Initiative, which will reduce the Nation's dependence on foreign oil and provide cleaner air. The Committee's \$31 million reduction for fuel cell technologies should be restored by redirecting funds from the Corps of Engineers, which is funded well above the President's request.

*National Security.* The Administration strongly opposes the elimination of funding for the Advanced Concepts Initiative, the Robust Nuclear Earth Penetrator study, and planning for the Modern Pit Facility. These reductions, if sustained, would diminish the Nation's ability to respond to future national security threats. Once again, this reduction could be restored by redirecting some of the funds from the Corps of Engineers or DOE's nuclear energy research and development program.

#### Army Corps of Engineers - Civil Works

The Administration commends the Committee for focusing the Civil Works program on completing projects already under construction and limiting new starts. These efforts are consistent with the Administration's policy to reduce the backlog of ongoing civil works construction projects. We urge the House to eliminate funding and cancel balances for projects that have low estimated economic or environmental returns or that are outside the Corps main mission, as requested.

We urge the House to restore funding that is necessary to sustain operations on four nationally significant Corps projects: \$18 million for Columbia River fish recovery to comply with a biological opinion pursuant to the Endangered Species Act (ESA); \$12 million to revitalize the side channels of the Upper Mississippi River; \$8 million for Everglades Restoration; and \$51 million to improve Missouri River habitat and support continued operation of the river in compliance with the ESA. We also request that the House restore \$10 million to the Regulatory Program to avoid delays in the permitting process and ensure effective enforcement.

#### Department of Energy

The Administration strongly opposes reductions to the National Nuclear Security Administration's (NNSA) Nonproliferation programs to eliminate weapons-grade plutonium production in Russia and to dispose of 68 metric tons of surplus weapons-usable plutonium in the Russian Federation and the United States. The proposed reductions could delay the programs and escalate their costs, thereby damaging critical components of the Nation's comprehensive nonproliferation strategy.

The Administration objects to the bill's reductions to important nuclear stockpile stewardship programs, such as the Life Extension Programs, Directed Stockpile Work, and the science and engineering campaigns. Furthermore, the Committee's restrictive funding controls for the complex Inertial Confinement Fusion National Ignition Facility program may prevent NNSA from achieving the milestones the Congress has directed for the program.

The Administration is concerned with the \$76 million reduction to the high-level waste proposal. The Defense Nuclear Facilities Safety Board has recently communicated to DOE its view that the safety consequences of delaying radioactive waste disposition activities at the Savannah River site are unacceptable. Moreover, the Administration and the State of South Carolina have reached agreement on radioactive waste disposal and underground storage tank closure at DOE's Savannah River site. While we share the Committee's preference for a legislative solution that extends beyond the Savannah River site and are continuing to pursue a

consensus with all affected States on such legislation, the funds are crucial to allowing the clean up of the Savannah River tanks.

The Administration rejects the Committee's suggestion to reduce spending on the International Thermonuclear Experimental Reactor in FY 2005, as well as its shift in funding for the Gridwise and Gridworks programs from the Office of Electric Transmission and Distribution (OETD) to the Office of Energy Assurance. OETD was established to provide a single, focused organization to strengthen Federal leadership on electricity reliability.

While we understand the need to restrain expenses for departmental overhead, the funding reductions to the Departmental Administration account in the House bill would hinder the Secretary's ability to manage the Department.

#### Bureau of Reclamation and the Central Utah Project

The Administration appreciates the Committee's support for fully funding the Water 2025 Initiative and for directly funding the Utah mitigation and conservation activities through the Central Utah Project rather than indirectly through the Western Area Power Administration. However, we urge the House to include the Administration's proposal to make a corresponding transfer of authority for project mitigation from the Secretary of Energy to the Secretary of the Interior.

#### Tennessee Valley Authority (TVA)

The Administration is disappointed that the Committee did not provide, as the Subcommittee did, the requested appropriation of \$9 million for TVA's Office of Inspector General (OIG) to be derived from the TVA Fund. This proposal would allow the OIG to conduct its duties in a more independent manner, similar to the Inspectors General of other Federal agencies.

#### Constitutional Concerns

Section 501 of the bill purports to limit the use of appropriated funds by the Executive Branch in communicating with the Congress. To the extent this provision would preclude the President or his subordinates from initiating communications with the Congress, it would interfere with the Executive Branch's ability to influence congressional action and would violate the Recommendations Clause of the Constitution. The Administration urges the House to remove this provision or amend it to allow normal and necessary Executive Branch communications.

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