
THE ENERGY AND WATER DEVELOPMENT COALITION

A coalition of groups representing ports and waterways, scientific research, energy supply, western water and power, environmental restoration, and nuclear deterrence and non-proliferation.

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Senate Allocation Better Addresses Chronic Shortfalls In Energy and Water Program Funding -- More Budgetary Resources Needed

The House of Representatives and the US Senate have passed versions of the Fiscal 2002 Energy and Water Development Appropriation Bill using allocations from the Budget process that are \$1.2 billion and \$2.4 billion respectively higher than the Administration's original \$23 billion proposal for Energy and Water programs.

The Energy and Water Development Coalition welcomes the House's increase in funding that approximates the nominal level appropriated for these programs in fiscal 01. The Coalition further appreciates that the additional Senate allocation allows progress against the losses caused by inflation and sub-optimal funding under the constricted discretionary budget limits of the past decade. The Coalition strongly urges the Congressional and Appropriation leadership to allow the Energy and Water conferees an allocation at least equal to the Senate's so that progress can indeed be made against these shortfalls, and urges further increases to the extent possible so that the compounding damages of the past can be positively corrected.

The Energy and Water bill funds programs vital to the national infrastructure, including: preservation and enhancement of water supplies, development of new energy sources and transmission, fundamental research in the physical sciences with enormous import for the evolution and efficiency of the modern economy, essential maintenance and development of ports and waterways on which daily economic life depends, and public safety programs ranging from flood protection to nuclear deterrence and disarmament.

The individual members of our Coalition are not in a position to evaluate the programs sponsored by the other members. However, we jointly acknowledge two things. First, each program has identified significant program degradation caused by past shortages of budget resources, as well as defined challenges it should meet for the future in environmentally enlightened ways. Second, we are likely to succeed individually only if the overall budget envelop for Energy and Water corrects for past and current inflation and provides a funding flow enabling efficient program implementation in the future.

Coalition members have provided the attached descriptions of the values at stake in their respective programs.

PORTS, WATERWAYS AND FLOOD MANAGEMENT

The U.S. Army Corps of Engineers performs critical services to develop, manage and protect this Nation's water resources, such as navigation, flood management, regulation of wetlands, and restoration of environmental resources. These services provide this Nation with the ability to trade internationally. Each year, the U.S. marine transportation system moves \$1 trillion of domestic and international freight. Ninety-five percent of our overseas trade by value flows through ports and waterways. Grain exports and domestic cargo also rely on the maritime system. The industry also pays approximately \$22 billion annually in federal taxes and assessments, like Customs duties. Across the nation, flood management and shore protection projects prevent an estimated \$16 billion in damages annually. These projects rely on the management of the U.S. Army Corps of Engineers. Despite the value to the nation of these projects, and large and unmet improvement and maintenance needs, the proposed FY'02 budget cuts Corps of Engineers funding by a devastating 14 percent.

SCIENTIFIC RESEARCH

The DOE is the nation's largest supporter of fundamental research in the physical sciences, involving 11,300 PhDs, 4000 graduate students and 7000 other workers and researchers nationwide. Its programs in high energy and nuclear physics, advanced scientific computation, fusion energy sciences, biological and environmental research, and basic energy sciences support virtually every area of scientific advance in our economy, including in health care. Further, DOE's large laboratories support scientists from many other agencies, industries, and disciplines. Yet, from 1990 to 2000 sub-inflation budgets have shed one quarter of the DOE science workforce. U.S. pre-eminence in DOE's critically important fields of research is jeopardized, and the pipeline of scientists and engineers vital to the U.S. economy is declining rapidly.

ENERGY EFFICIENCY AND SUPPLY

The energy crisis facing us today dictates increased investment in the energy research programs of the Department of Energy. Many of the energy and efficiency technologies that we take for granted today have come from Department of Energy research programs. For example, energy research programs of the Department are directly responsible for the present generation of nuclear power plants that supply approximately 23% of the nation's electric power. Department of Energy research is also largely responsible for continued and substantial improvements in the efficiency and affordability of solar, wind and other renewable energy sources. In spite of this record of success, renewable energy programs suffer a \$136 million or 36% reduction in the President's budget. Nuclear energy science and technology is reduced by \$54.5 million or nearly 20%.

WESTERN WATER

Federal water storage and management projects of the Bureau of Reclamation have historically been key to much of the western U.S. economy. They remain vitally important to the west. Nonetheless, many of these projects are over 40 years old and carry with them an estimated \$5 billion backlog of new work and maintenance that needs to be performed. Recent drought conditions and a population in the west that has grown 19.7 percent in the past decade make adequate maintenance of western water systems essential. In spite of these important needs, the President's budget makes a nearly 5% reduction in this area, a loss compounded by inflation.

WESTERN POWER: ELECTRIC RELIABILITY AND UPGRADES

At over 40 years old, most of the transmission lines, substations, and transformers in the West are deteriorating and strained to capacity. System reliability is jeopardized, particularly with respect to crucial inter-regional transfers. Yet, the Western Area Power Administration's construction budget would decline 40% to \$20 million in FY 02, even though a minimum of \$50 million is necessary. Similar needs for additions and replacements to aging infrastructure require \$15 million for the Southwestern Power Administration. The Bonneville Power Administration should be encouraged to increase borrowing authority to rebuild infrastructure and construct new transmission.

ENVIRONMENTAL RESTORATION

An apparent cut of \$355 million in the Administration's FY 02 proposal for the restoration of sites associated with the nation's nuclear defense is actually a \$450 million reduction from FY 01 (\$6.26 billion) when extraneous issues are factored out. This damage becomes significantly worse against a backdrop of an additional \$1 billion necessary above FY 01 levels to meet compliance requirements in FY 02 and beyond. Hundreds of on-going field projects would be cancelled, threatening hundreds of subcontracts. Court enforceable milestones will be violated, risking fines and penalties, and delays and terminations will only drive up long range costs. Further, several cross site activities might be jeopardized, including shipment of TRU wastes to WIPP, shipment and storage of spent nuclear fuel and disposition of low level wastes on an off site facility.

NUCLEAR DETERRENCE AND NON-PROLIFERATION

The Department of Energy is responsible for maintaining the reliability of the nation's nuclear weapons stockpile and for the scientific research associated with that mission. In the absence of weapons testing, the Department is putting into place scientific facilities and capabilities necessary to ensure the reliability and safety of our nuclear weapons and the human and technological infrastructure needed to back it up. Additionally, several recent studies have shown the underlying physical infrastructure of the weapons complex to be seriously deteriorated: the average age of the facilities is 40 years; an \$800 million backlog of work exists today with a need for an additional \$300 to \$500 million needed per year for the next 17 years. In addition, programs at the Department of Energy are key elements of U.S. non-proliferation policy - - these programs suffer an overall cut of over \$100 million or 11% in the President's budget submission.

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