

ENERGY AND WATER DEVELOPMENT APPROPRIATIONS
 BILL, 2005

JUNE 18, 2004.—Committed to the Committee of the Whole House on the State of
 the Union and ordered to be printed

Mr. HOBSON, from the Committee on Appropriations,
 submitted the following

R E P O R T

[To accompany H.R. 4614]

The Committee on appropriations submits the following report in
 explanation of the accompanying bill making appropriations for en-
 ergy and water development for the fiscal year ending September
 30, 2005, and for other purposes.

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TITLE III

DEPARTMENT OF ENERGY

Funds recommended in Title III provide for Department of Energy (DOE) programs relating to: Energy Supply, Non-Defense Environmental Management (Non-Defense Site Acceleration Completion, Non-Defense Environmental Services, and Uranium Enrichment Decontamination and Decommissioning Fund), Science, Nuclear Waste Disposal, Departmental Administration, the Inspector General, the National Nuclear Security Administration (Weapons Activities, Defense Nuclear Nonproliferation, Naval Reactors, and Office of the Administrator), Defense Environmental Management (Defense Site Acceleration Completion, and Defense Environmental Services), Other Defense Activities, Defense Nuclear Waste Disposal, the Power Marketing Administrations, and the Federal Energy Regulatory Commission.

COMMITTEE RECOMMENDATION

Budget constraints limited the Committee's ability to fully fund the Administration's budget request for the Department of Energy. In addition, the Committee made a number of adjustments to reflect specific Congressional interests and priorities. Total funding for the Department of Energy is \$22,478,342,000, an increase of \$510,913,000 over fiscal year 2004 and \$669,491,000 less than the budget request.

CONGRESSIONAL DIRECTION

The Committee renews the direction provided in House Report 108–212 requiring the Secretary to submit to the House Appropriations Subcommittee on Energy and Water Development a quarterly report on the status of all projects, reports, fund transfers, and other actions directed in this report and the conference report accompanying the Energy and Water Development Appropriations Act, 2005.

BUDGET JUSTIFICATION REQUIREMENTS

The fiscal year 2006 budget justifications submitted by the Department must include the following: (1) a section identifying the last year that authorizing legislation was provided by Congress for each program; (2) funding within each construction project data sheet for elimination of excess facilities at least equal to the square footage of the new facilities being requested; and (3) funding to eliminate excess facilities at least equal to the square footage of new facilities being constructed as general plant projects (GPP). The budget justifications must also include a statement that all appropriate project management requirements from DOE Order 413.3 will have been met at the time the budget justifications are sub-

mitted to Congress. The Committee understands that all such requirements may not be met, and need not be met, at the time the budget request is formulated. The Committee does expect, however, that these project management requirements will have been fulfilled at the time the fiscal year 2006 budget request is delivered to Congress.

SAFEGUARDS AND SECURITY FUNDING

The rapid increase in security funding to address the revised Design Basis Threat (DBT) leads the Committee to conclude that the Department should continue to provide direct funding for safeguards and security costs by including a separate line item for these costs within the major programs. The Committee concurs with the Department that it is not appropriate at this time to shift to indirect funding of safeguards and security costs. Until these costs stabilize, it is important to maintain the control and visibility afforded by direct funding of these costs.

The Committee is aware that additional security funding is required to meet the revised DBT signed out by the Secretary in May 2003. However, based on the lack of information provided to date, the Committee has no confidence that the significant cost growth for safeguards and security activities is improving actual security in any measurable sense. The Committee is unaware of any DBT implementation guidance developed by the Department that would result in consistent and comparable cost estimates from the site contractors or security standards that might ensure some uniformity and cost control across the complex.

The Committee expects the Secretary to direct the program offices under the purview of the Under Secretary for Energy, Science, and Environment, and the Under Secretary for National Security to develop their safeguards and security budgets and implementation plans in a DOE-wide framework and under standard criteria and policy management and guidance issued by the Secretary through the Office of Security and Safety Performance. The Committee directs the Secretary to submit a report with the fiscal year 2006 budget request to the House and Senate Committees on Appropriations and Armed Services outlining the Department's overall security strategy and how it will result in the revised DBT requirements being met by the end of fiscal year 2006.

FIVE-YEAR BUDGET PLANS

Certain offices within the Department have prepared strategic plans or facility plans that attempt to define program priorities for the coming years. The National Nuclear Security Administration has prepared the Future Years Nuclear Security Plan (FYNSP) and the Facilities and Infrastructure Recapitalization Plan (FIRP). The Office of Science recently completed its Twenty-Year Science Facility Plan and a Twenty-Year Strategic Plan. The Office of Environmental Management has detailed project management plans for each of its cleanup sites and has issued various complex-wide cleanup plans in the past.

The Committee believes strongly in the value of five-year plans to guide Administration budget requests and Congressional spending decisions, to force discipline in making budgetary decisions, and

to encourage some stability from year to year. In its recent report on project management at the Department, the National Research Council observed that “[p]erhaps the most important single point that the committee has stressed, and continues to stress, is the absolute need for DOE management to develop the strategic plans that define the need for capital improvement projects.”

Departmental program offices face four competing priorities for funding: maintaining and operating existing facilities and research instruments, investing in new facilities and research instruments, paying for research and production work done at the DOE laboratories and plants, and funding research work done outside of the DOE complex. Making the difficult trade-offs between these competing priorities is not easy, but without a methodological approach to such trade-offs, a strategic or facility plan is a mere wish list unconstrained by fiscal realities and other competing demands. The Department needs to prepare a comprehensive department-wide five-year budget plan that will make explicit the choices made between competing priorities such as science research versus nuclear nonproliferation versus environmental cleanup. Preparation of such a comprehensive five-year plan will no doubt be challenging for the Department, but the challenge is not fundamentally different from that facing the Department of Defense (DoD), which regularly produces and updates its Future Year Defense Plan (FYDP) to reflect future resource requirements among the various Services in DoD.

Inherent in producing five-year budget plans for major programs and the entire Department is the need to define missions and activities, and therefore the future budget requirements, of the various laboratories. The large multi-program labs (i.e., Argonne, Brookhaven, Lawrence Berkeley, Lawrence Livermore, Los Alamos, Oak Ridge, and Pacific Northwest) have been very aggressive in pursuing a wide range of new missions and funding sources—first climate change, then genomics, then nanotechnology, now advanced computing and proteinomics. And these labs continue to jockey for position at the homeland security funding trough.

The Committee recognizes the vast pool of talent present in the labs, and the fact that such talent can be brought to bear on a wide range of problems facing the Nation. However, the Committee also believes that such talent requires more active guidance and supervision from the Headquarters program offices to be sure the labs are using DOE resources to tackle the right problems. In times of limited funding, the question can no longer be “What *can* the labs do?” but must instead be “What *should* the labs do?” Answering this latter question should not be left up to the contractors running the labs; it must be answered by the Federal managers in the Department. The five-year plans prepared by the major program offices, and the comprehensive five-year plan for the Department, should include business plans for each of these laboratories. These business plans should include a clear statement of the primary mission of each laboratory as such mission relates to each lab’s lead program office(s), a clear statement of secondary missions to support other DOE program offices and other Federal agencies, and a five-year plan identifying the research, facilities, and resource requirements necessary to fulfill these primary and secondary missions.

Concurrent with the submission of the fiscal year 2006 budget request, the Department should submit to Congress budget quality five-year program plans for weapons activities program of the NNSA (i.e., the FYNSP), the Office of Science, and the Office of Environmental Management. Beginning with submission of the fiscal year 2007 budget request and every fiscal year thereafter, the Department should submit to Congress detailed five-year budget plans for all major program offices and a consolidated five-year budget plan for the entire Department. The Committee considers the preparation of these five-year program plans and the comprehensive five-year DOE plan to be a Federal function. The Department should consult with its contractors in developing its five-year plans, but the actual preparation of these plans is not to be contracted out; this work is to be done by Federal employees of the Department of Energy.

NON-NNSA WORK AT NNSA FACILITIES

Section 3213 of Public Law 106-65, as subsequently modified by Section 3157 of Public Law 106-398, imposes a statutory limitation on the individuals within the Department of Energy who can exercise authority, direction, and control over the officers, employees, and contractors of the National Nuclear Security Administration (NNSA). The law specifies that NNSA officers, employees, and contractors are subject to the authority, direction, and control only of the Secretary of Energy acting through the NNSA Administrator, and the NNSA Administrator's designee within the NNSA. Although Section 3123 of Public Law 106-65 initially applied this constraint only to the functions of the NNSA, Section 3157 of Public Law 106-398 subsequently modified this to apply to all work executed by the elements of the NNSA.

The NNSA was officially established over four years ago on March 1, 2000. Since that time, this Committee has repeatedly expressed concerns about the propriety of non-NNSA program offices (e.g., Energy Efficiency and Renewable Energy, Nuclear Energy, Science, and Technology, Science, Civilian Radioactive Waste Management, and Environmental Management) continuing to send non-NNSA program funding to NNSA elements, including the three nuclear weapons laboratories. Government program managers are responsible and accountable for ensuring their program funds are spent for the intended purpose, and they must exercise sufficient control over those funds to ensure that outcome. The plain language of the NNSA statute is very clear that NNSA officers, employees, and contractors are not subject to the authority, direction, and control of anyone in DOE other than the Secretary of Energy, the Administrator of the NNSA, or the Administrator's designee. Therefore, non-NNSA program offices are continuing to send significant program funding to NNSA laboratories that are, by statute, not subject to the authority, direction, or control of those non-NNSA offices. The NNSA statute does not allow NNSA employees or contractors to subject themselves voluntarily to the authority, direction, and control of non-NNSA program officials, nor does it allow the NNSA elements the option of waiving the statutory constraint for certain work.

The Committee is concerned that non-NNSA program offices continue to send significant funding from the Energy Supply, Science, and Defense Site Acceleration Completion accounts to the three NNSA nuclear weapons laboratories and continue to exercise “authority, direction, and control” over the weapons labs for the execution of this non-NNSA work. Both the sending non-NNSA program offices and the recipient NNSA laboratories are operating in the same manner as they did prior to the establishment of the NNSA. This practice places the Department in clear violation of the statutes. The statutes do not preclude such transfers from non-NNSA program offices to NNSA laboratories, but these provisions specify the chain of command that must be followed. Unfortunately, the Department has not bothered to put in place a new process that ensures compliance with these statutory constraints. The Department is fully aware of the constraint imposed by Sections 3213 and 3157 as demonstrated by its proposal to modify the statutory language as part of its legislative proposal to consolidate the counter-intelligence office.

The Committee directs the Office of Science, the Office of Nuclear Energy, Science and Technology, the Office of Electricity Transmission and Distribution, the Office of Civilian Radioactive Waste Management, the Office of Energy Efficiency and Renewable Energy, and the Office of Environmental Management to suspend immediately any further funding transfers to elements of the NNSA until the Secretary establishes procedures that comply fully with the letter of the law established in Section 3213 of Public Law 106-65, as amended by Section 3157 of Public Law 106-398. It is the Committee’s view that these statutory provisions require all taskings to the NNSA elements be routed through the Secretary and the Administrator of the NNSA to the recipient NNSA employees and contractors. The Committee does not agree with the Department’s farcical interpretation that passing the work order from the non-NNSA program office through the NNSA site office or service center and then to the M&O contractor somehow satisfies the statutory requirements. The use of middlemen and pass-throughs does not relieve the Department of the responsibility of complying with the plain language of the law. With the exception of environmental cleanup, all of this work is optional and could be executed outside of the NNSA. The Committee directs the Department to place priority on establishing procedures to enable the Environmental Management work to continue uninterrupted at the NNSA laboratories, plants, and sites.

PROJECT MANAGEMENT

The Committee continues to emphasize the importance of improving the project management culture within the Department. The Committee considers compliance, by all parts of the Department, with Project Management Order 413.3 to be essential. The Committee also expects that all elements of the Department, including the NNSA, will comply with the requirements of Project Management Manual 413.3-1 for capital asset acquisition. The Committee urges all elements of the Department, including the NNSA, to apply the project planning and management principles identified in the Manual in the management of the entire pro-

grammatic portfolio in addition to specific capital assets. As noted above, the Committee expects compliance with Project Management Order 413.3 requirements for all projects included in future budget submissions. When Congress directs funding for a new facility, the Department should deem the requirement for CD-0 (i.e., determination of mission need) has been met and should proceed forward from the CD-0 milestone and continue implementation of the project management process.

COST AND SCHEDULE BASELINES

The estimated cost for the Waste Treatment and Immobilization Plant (Project 01-D-416) at Hanford increased 33 percent, or \$1.4 billion, in fiscal year 2003. Based on that increase, the Committee directed the Department to transfer funds to the Corps of Engineers to conduct an independent review of the cost and schedule baseline for this project. In addition to revealing the risk of significant future cost growth on this particular project, the completed Corps review identified several problems that are likely systemic with DOE's cost and schedule baselines: inadequate government estimating, inadequate government contract management, and inadequate contingency amounts.

The uncontrolled cost growth experienced at the Hanford Waste Treatment and Immobilization Plant is apparent at other major projects such as the Tritium Extraction Facility, the Mixed Oxide Fuel Fabrication Facility, the Elimination of Weapons Grade Plutonium Production (EWGPP) plants in Russia, and the Depleted Uranium Hexafluoride (DUF6) Conversion Project. The Committee has little confidence in the accuracy of the current cost and schedule baselines for these projects and even less confidence in the ability and motivation of DOE and its contractors to control these costs.

Therefore, the Committee directs the Department to notify, in writing, the House and Senate Appropriations Committee immediately when there is a projected increase of 10 percent or more in the total estimated cost (TEC) for all line-item construction projects with a TEC in excess of \$20 million. The baseline for triggering this requirement is the TEC as presented in the fiscal year 2005 budget justification. The written notification shall be handled like a reprogramming request, and will require the Department to provide a detailed justification for the cost increase and identify funding sources to pay for the increased costs. The notification to Congress must include a copy of the government estimate for the cost increase, and a written statement confirming that the project's cost and schedule baseline (prior to the proposed cost increase) has been verified through a detailed External Independent Review.

In several instances (i.e., the depleted uranium hexafluoride conversion plants and the elimination of weapons grade plutonium production plants in Russia), the Committee directs the Department to use the U.S. Army Corps of Engineers expertise in cost engineering to conduct independent verifications of the cost and schedule baselines for these specific projects. For other projects over the \$20 million threshold, the Committee encourages the Department to use the Corps, other qualified Federal agencies, or qualified independent contractors to conduct independent reviews of cost and schedule baselines.

In considering the cost growth in DOE projects, it is unclear that there are any consequences for DOE managers who provide erroneous estimates to Congress (i.e., estimates that are well below what an external and independent cost estimate would have stated). Unrealistically low estimates deprive the Secretary of Energy and the Congress of the opportunity to consider alternatives before contracts are let and major construction is begun. The Committee, therefore, directs that before any further construction projects in excess of \$20 million are initiated, the Secretary establish a baseline cost and schedule estimate for the project and will establish consequences within the Department for DOE managers who significantly underestimate costs (i.e., by more than 15 percent) and report to Congress his action.

FACILITIES AND INFRASTRUCTURE

The Committee continues to be concerned about the deterioration of the Department's facilities and the Department's inability to evaluate and address the readiness and maintenance status of its facilities. The National Nuclear Security Administration is to be commended for establishing its Facilities and Infrastructure Recapitalization Program (FIRP) and maintaining management focus on this program. The Committee is concerned whether the Office of Science is paying sufficient attention to its facilities and infrastructure, given the precipitous decline in the budget request for Science Laboratories Infrastructure. The Committee is also concerned about the Office of Nuclear Energy, Science and Technology, which, as the new landlord of the Idaho National Laboratory and the Idaho cleanup site, will have to pay much more attention to this issue than it has in the past. The five-year plans for each program and for the entire Department must provide a clear strategy for protecting the Federal investment in existing facilities and infrastructure throughout the DOE complex.

The Committee directs that funds provided for the disposal of excess facilities should be competed to the maximum extent practicable, so that contractors with experience in the efficient decontamination, decommissioning, and demolition of facilities have the opportunity to bid on this work. The Committee also directs that the costs of D&D for the facilities that are being replaced be included in the costs of all construction projects and identify such D&D costs clearly in the construction project data sheets.

SAFETY AT DOE FACILITIES

Improving safety at the Department's laboratories, sites, and plants continues to be one of this Committee's top priorities. In fiscal year 2003, this Committee directed a series of compliance audits to identify the backlog of safety deficiencies at the Department's non-defense Science laboratories; additional funding was provided in fiscal year 2004, and is provided again in fiscal year 2005, to correct these deficiencies. In the conference report for fiscal year 2004, the conferees directed the Department to submit an annual report, beginning in fiscal year 2005, on the backlog of safety-related deficiencies at NNSA and defense cleanup sites, and present an estimate and schedule for the corrective actions. The Committee directs the Department to budget explicitly for actions

to correct safety deficiencies throughout the DOE complex beginning with the fiscal year 2006 budget submission.

LABORATORY DIRECTED RESEARCH AND DEVELOPMENT (LDRD)

The Committee recognizes the value of conducting discretionary research at DOE's national laboratories. Such research provides valuable benefits to the Department and to other Federal agencies, and is useful for attracting and retaining scientific talent at the laboratories.

However, the Committee continues to have serious reservations about the financial execution of this program, specifically with how the Department's laboratories levy the LDRD "tax" on work being performed for other agencies (Work for Others). The Secretary is currently required to include in the annual LDRD report to Congress an affirmation that "all LDRD activities derived from funds of other agencies have been conducted in a manner . . . consistent with the Appropriations Acts that provided funds to those agencies." The Department has implemented this guidance by including boilerplate language into its standard project proposal and funding acceptance documents that it requires the funding WFO agencies to sign. According to a review conducted last year by this Committee's investigative staff, only a little more than half of the WFO customers indicated they could reliably certify that DOE's LDRD activities are consistent with the funding agencies' appropriations acts.

More troubling, a recent review by the General Accounting Office (GAO-04-489) reveals the lack of controls on LDRD work conducted for other agencies. In fiscal year 2003, the nine DOE laboratories that conduct LDRD (Argonne, Brookhaven, Idaho, Lawrence Berkeley, Lawrence Livermore, Los Alamos, Oak Ridge, Pacific Northwest, and Sandia) received total Federal funding of \$7.656 billion, of which \$356 million (or 4.5 percent) was for LDRD; research that is solely at the discretion of the laboratory directors and is outside of effective Federal control. Of this amount for LDRD, \$293 million (or 84.4 percent) was funded from DOE sources and \$54 million (or 15.6 percent) was funded from other agencies.

The GAO analysis of LDRD performed for other agencies revealed a bizarre rationale by DOE regarding how this WFO-related LDRD is actually funded. DOE claims that it is not actually "spending" the funds appropriated to other agencies when it conducts LDRD, and therefore is not bound by any statutory requirements attached to other agencies' appropriations. Instead, when DOE agrees to perform reimbursable work for another agency, it automatically levies its LDRD tax (up to 6 percent) as an overhead cost and initiates the LDRD work using its own DOE funds. Then, at the end of the reimbursable work, DOE reimburses its overhead accounts using the funds received from the other agencies.

The Committee does not support and does not provide funds for the Department to continue this practice. Specific statutory guidance is provided in the General Provisions at the end of this title. Beginning in fiscal year 2005, the Department may not use the funds appropriated in this bill to finance the cost of doing LDRD for other agencies. The other federal agencies are encouraged to

continue using the capabilities of DOE's national laboratories, on a reimbursable basis, to conduct specific work. When the other agencies desire less constrained research by the DOE labs to support those other agencies' mission, the other agencies are free to hire DOE for such assistance.

Beginning with the fiscal year 2006 budget submission, the Committee directs the Department to request direct funding for LDRD activities within each major appropriation in this bill (e.g., Energy Supply, Science, Weapons Activities, Defense Nuclear Nonproliferation, etc.). The amount allocated to each laboratory shall be decided explicitly by the program managers at DOE Headquarters responsible for each major appropriation. Beginning in fiscal year 2006, laboratories, sites, plants, and other elements in the DOE complex will not be permitted to fund LDRD from any other funding source. Given the magnitude of LDRD work being performed annually, and the apparent lack of control by the DOE program offices over this research, the Committee insists on the visibility and control provided by direct-funded LDRD activities in the future.

SAVANNAH RIVER NATIONAL LABORATORY

On May 7, 2004, the Secretary of Energy declared, without any consultation with the Committees on Appropriations, that the existing Savannah River Technology Center would become the Savannah River National Laboratory. This Committee believes that the Department already has too many national laboratories, and that the Secretary has not lived up to his prior promise to make the Idaho National Laboratory into the Nation's centerpiece for nuclear energy research. The Department should be looking seriously at reducing the number of its national laboratories, not adding to the list. Therefore, no funds are provided in this bill for the Savannah River National Laboratory. Funds are provided within the various accounts, primarily Defense Site Acceleration Completion, Weapons Activities, and Defense Nuclear Nonproliferation, to continue activities in fiscal year 2005 at the existing Savannah River Technology Center.

AUGMENTING FEDERAL STAFF

The Committee continues to believe there is too much reliance on support service contractors and other non-Federal employees throughout the Department of Energy, but particularly in the Department's Washington operations. The number of management and operating (M&O) contractor employees assigned to the Washington metropolitan area in fiscal year 2005 shall not exceed 220, the same as the fiscal year 2004 ceiling.

Report on M&O contractor and subcontractor employees.—The Department is to provide a report to the Committee at the end of fiscal year 2004 on the use of M&O employees and M&O subcontractors assigned to the Washington metropolitan area. The report is to identify all M&O employees who work in the Washington metropolitan area, including the name of the employee, the name of the contractor, the organization to which he or she is assigned, the job title and a description of the tasks the employee is performing, the annual cost of the employee to the Department, the Headquarters program organization sponsoring each M&O em-

ployee, the program account funding that employee, and the length of time the employee has been detailed to the Department or elsewhere in the Washington metropolitan area (e.g., the Congress, the Executive Office of the President, and other Federal agencies). The report should also include detailed information on the cost of maintaining each M&O office in the Washington metropolitan area. This report is to include actual data for the period October 1, 2003 through September 30, 2004, and is due to the Committee on January 31, 2005.

Report on support service contractors.—The report is to include for each support service contract at Headquarters: the name of the contractor; the program organization (at the lowest organization level possible) hiring the contractor; a description and list of the tasks performed; the number of contractor employees working on the contract; and the annual cost of the contract. This report is to include actual data for the period October 1, 2003 through September 30, 2004, and is due to the Committee on January 31, 2005.

Inspector General review of M&O report.—The Committee is concerned that recent M&O reports are not entirely accurate and fail to identify many M&O employees and M&O subcontractors who are assigned to the Washington metropolitan area. The Committee directs the Inspector General to review the fiscal year 2004 M&O report before it is submitted to the Committee.

REPROGRAMMING GUIDELINES

The Committee requires the Department to inform the Committee promptly and fully when a change in program execution and funding is required during the fiscal year. To assist the Department in this effort, the following guidance is provided for programs and activities funded in the Energy and Water Development Appropriations Act.

Definition.—A reprogramming includes the reallocation of funds from one activity to another within an appropriation, or any significant departure from a program, project, or activity described in the agency's budget justification as presented to and approved by Congress. For construction projects, a reprogramming constitutes the reallocation of funds from one construction project identified in the justifications to another project or a significant change in the scope of an approved project.

Criteria for Reprogramming.—A reprogramming should be made only when an unforeseen situation arises, and then only if delay of the project or the activity until the next appropriations year would result in a detrimental impact to an agency program or priority. Reprogrammings may also be considered if the Department can show that significant cost savings can accrue by increasing funding for an activity. Mere convenience or preference should not be factors for consideration.

Reprogrammings should not be employed to initiate new programs or to change program, project, or activity allocations specifically denied, limited, or increased by Congress in the Act or report. In cases where unforeseen events or conditions are deemed to require such changes, proposals shall be submitted in advance to the Committee and be fully explained and justified.

Reporting and Approval Procedures.—The Committee has not provided statutory language to define reprogramming guidelines, but expects the Department to follow the spirit and the letter of the guidance provided in this report. Consistent with prior years, the Committee has not provided the Department with any internal reprogramming flexibility in fiscal year 2005, unless specifically identified in the House, Senate, or conference reports. Any reallocation of new or prior year budget authority or prior year deobligations must be submitted to the Committees in writing by the Department's Chief Financial Officer and may not be implemented prior to approval by the Committees on Appropriations.

COMMITTEE RECOMMENDATIONS

The Committee's recommendations for Department of Energy programs are described in the following sections. A detailed funding table is included at the end of this title.

ENERGY SUPPLY

Appropriation, 2004	\$738,161,000
Budget Estimate, 2005	835,266,000
Recommended, 2005	817,126,000
Comparison:	
Appropriation, 2004	+78,965,000
Budget Estimate, 2005	-18,140,000

The Energy Supply account includes the following programs: Renewable Energy Resources; Nuclear Energy; Electricity Transmission and Distribution; and Environment, Safety and Health (non-defense). The Department's fiscal year 2005 proposal also includes contributions to Civilian Radioactive Waste Management, the new Office of Future Liabilities, and the Office of Legacy Management. The Committee recommends that the funds for Energy Supply activities remain available until expended.

The Office of Energy Efficiency and Renewable Energy (EERE) should give top priority to full funding of grants, contracts and cooperative agreements selected through open competition and peer review. The Congress is aware that in fiscal year 2004, some of those receiving funds under the Superconductivity for Electric Power Systems program received significantly less than the agreed level of funding. Funding for such groups outside DOE, whose research proposals are competitively selected and peer reviewed, should be provided before this Office gives funds to DOE laboratories.

The Committee expects that the House and Senate will designate during conference certain Congressionally-directed projects within the various Energy Supply programs. These Congressionally-directed projects, as well as the projects and programs requested by the Department, are subject to the cost sharing requirements specified in the Energy Policy Act of 1992 (P.L. 102-486) and other relevant statutes.

RENEWABLE ENERGY RESOURCES

The total Committee recommendation for renewable energy resources is \$343,172,000, a decrease of \$31,640,000 compared to the

budget request. This reduction is due primarily to the reduction in the Hydrogen Technology program.

The Committee supports the efforts by the Assistant Secretary for Energy Efficiency and Renewable Energy (EERE) and his staff to strengthen project management in EERE, and provides the requested funds in the Program Direction line to implement the EERE Project Management Center. The Committee also notes continued improvement in the presentation of metrics in the budget request to show the performance to date and potential future contributions of the various renewable energy technologies.

RENEWABLE ENERGY TECHNOLOGIES

Renewable Energy Technologies include biomass and biorefinery systems R&D, geothermal technology, hydrogen technology, hydro-power, solar energy, and wind energy.

Biomass and Biorefinery Systems R&D.—The Committee recommendation for integrated research and development on biomass and biorefinery systems is \$72,596,000, the same as the budget request. Within available funds, the Committee recommendation includes \$1,500,000 for the Consortium for Plant Biotechnology Research (CPBR).

Geothermal Technology.—The Committee provides \$25,800,000 for geothermal technology development, the same as the budget request. The Department is directed to maintain funding for university research at the fiscal year 2004 funding level.

Hydrogen Technology.—The fiscal year 2005 budget request seeks \$95,325,000 for hydrogen research, an increase of \$17,785,000 or 23 percent over the fiscal year 2004 enacted level. In House Report 108–212 and again in the statement of managers accompanying the fiscal year 2004 conference report (House Report 108–357), this Committee reminded the Department of the competition and cost-sharing requirements specified in the Hydrogen Future Act of 1996 (P.L. 104–271) and directed the Department to compete the hydrogen research program to the fullest extent possible. Unlike most DOE research programs, the hydrogen technology research has a specific statutory authorization with specific conditions attached.

The Department blatantly ignored the Congressional direction contained in statute and report language regarding competition and cost sharing and announced in April 2004 the award of \$150 million in new hydrogen storage research projects. Of this amount, approximately \$120 million is dedicated to establishing three hydrogen storage “centers of excellence” that are led by DOE national laboratories. The so-called competition was restricted to DOE laboratories, each of which selected its other laboratory, industry, and academic partners without competition. None of these funds for the “centers or excellence” were awarded consistent with the Congressional view of competition; only the \$30 million awarded to fifteen independent storage projects was awarded competitively. The Department was clearly determined to award the bulk of these hydrogen storage funds to its national laboratories without full and open competition and to persist in the fiction of “pre-competitive R&D” despite explicit Committee guidance to the contrary. Further, the \$150 million of federal funding for hydrogen storage is to be

matched by only \$20 million of private sector funding. The Hydrogen Future Act of 1996 directs the Secretary to require a commitment from non-Federal sources of at least 20 percent of the cost of proposed hydrogen research and development projects; the Secretary may reduce or eliminate the cost-sharing requirement if the Secretary determines that the research and development is of a basic or fundamental nature. However, the Department requested \$21.4 million for basic research on hydrogen under the Basic Energy Sciences program within the Office of Science. It is this Committee's view that the hydrogen research conducted and funded by the Office of Energy Efficiency and Renewable Energy is applied research and is subject to the minimum cost sharing requirements established by the Hydrogen Future Act.

The Committee recommends \$64,285,000 for hydrogen technology work by the Office of Energy Efficiency and Renewable Energy in fiscal year 2005, a reduction of \$31,040,000 from the budget request. This reduction represents the proposed fiscal year 2005 funding for the DOE laboratories that was awarded without full and open competition and without any cost sharing. The reduction includes the proposed awards for the three hydrogen storage "centers of excellence" that were awarded to DOE laboratories, and their chosen industry and academic partners, without full and open competition. No funds are provided for the proposed \$7 million effort on hydrogen education. The Committee continues to support hydrogen research and provides funds for the Office of Nuclear Energy, Science, and Technology and the Office of Science for hydrogen-related research, with the expectation that those offices understand the distinction between basic and applied research and understand the Committee's guidance regarding competition and cost sharing. The Committee directs the Department to submit its budget request for fiscal year 2006 with all basic research on hydrogen included within the Office of Science; all hydrogen-related research of an applied nature is to be funded within the Office of Energy Efficiency and Renewable Energy or the Office of Nuclear Energy, Science and Technology. The Committee expects the Department to comply with the spirit and the letter of the statutory cost-sharing requirements for applied research on hydrogen technologies, and to compete this work fully and openly. The awards to DOE laboratories, which this Committee views as non-competitive, are not funded under this fiscal year 2005 appropriation, and the Committee does not intend to fund such non-competitive awards in future fiscal years.

Hydropower.—The Committee recommends \$5,000,000 for hydropower research, \$1,000,000 less than the budget request and essentially the same as provided in fiscal year 2004. As directed previously, the Department should focus its efforts on completing a limited program of testing and demonstration of new turbine technologies and then transfer these technologies to other Federal agencies and private sector firms for deployment. The proposed increase for advanced hydropower technology should be funded by the agencies that own and operate the Federal hydropower facilities, not by the Department of Energy.

Solar Energy.—Solar energy technologies include: photovoltaic energy systems; solar heating and lighting, and concentrating solar

power. These subprograms are combined into a single account for solar energy, and the control level for fiscal year 2005 continues at the solar energy program account level. The total Committee recommendation for solar energy in fiscal year 2005 is \$82,733,000, an increase of \$2,400,000 over the budget request. The Committee believes that the Department continues to underfund Concentrating Solar Power (CSP) technologies despite recent analyses documenting the potential of these technologies. The additional funds are provided to conduct CSP research at a level comparable to fiscal year 2004. The Committee directs Solar Heating and Lighting subprogram to be equally split between the Heating and Lighting research areas.

Wind energy systems.—The Committee recommends \$41,600,000 for wind energy systems, the same as the budget request.

Intergovernmental activities.—The Committee recommends \$17,000,000 for intergovernmental activities, an increase of \$1,000,000 over the budget request. This amount includes \$6,500,000 for the international renewable energy program, including \$1,500,000 for the International Utility Electricity Partnership (IUEP), \$5,500,000 for tribal energy, and \$5,000,000 for the Renewable Energy Production Incentive (REPI).

DEPARTMENTAL ENERGY MANAGEMENT PROGRAM

The Committee recommendation for Departmental Energy Management is \$1,967,000, the same as the budget request.

NATIONAL CLIMATE CHANGE TECHNOLOGY INITIATIVE

The Committee recommendation provides no funds for the National Climate Change Technology Initiative (NCCTI), a reduction of \$3,000,000 from the budget request. Given the plethora of other Department research that is related to climate change science and technology, the Committee does not see a need for this additional \$3,000,000 for NCCTI.

FACILITIES AND INFRASTRUCTURE

The Committee recommendation for renewable energy Facilities and Infrastructure is \$11,480,000, the same as the budget request and a decrease of \$1,642,000 compared to fiscal year 2004. This amount includes \$4,800,000 for operations and maintenance of the National Renewable Energy Laboratory (NREL) in Golden, Colorado, and \$6,680,000 to continue construction of the new Science and Technology facility at NREL (project 02-E-001).

PROGRAM DIRECTION

The Committee recommendation for program direction is \$20,711,000, the same as the requested amount and an increase of \$8,185,000 over fiscal year 2004. This increase includes the requested amounts to improve project management at the Golden Field Office and to provide analytical and technical support to the U.S. Climate Change Technology Program.

ELECTRICITY TRANSMISSION AND DISTRIBUTION

The Committee recommendation for Electricity Transmission and Distribution is \$75,354,000, \$15,526,000 less than the budget request and \$6,537,000 less than fiscal year 2004. The Committee does not support the requested 176 percent increase for program direction, which was to support a doubling of Federal staff. Instead, the Committee recommends \$4,400,000 for program direction activities, which funds program direction at the fiscal year 2004 level plus \$700,000 for the 6 FTEs related to the Import/Export Authorization activity. Funding for the proposed GridWorks and GridWise initiatives is not provided in this account; these initiatives are funded instead under the Energy Assurance program within Other Defense Activities. Detailed allocations are shown on the attached table at the end of Title III. The Committee recommendation provides \$775,000 for the Department to continue the Project Engineering and Design work for the Energy Reliability and Efficiency Laboratory (project 04-E-001) at Oak Ridge National Laboratory, which was initiated in fiscal year 2004.

NUCLEAR ENERGY PROGRAMS

The Committee recommendation for nuclear energy programs under the Energy Supply appropriation is \$339,470,000, an increase of \$39,723,000 over the budget request and \$40,481,000 over the current fiscal year. Of the total funding of \$466,817,000 provided for Nuclear Energy programs and facilities, \$124,347,000 represents costs allocated to the 050 budget function (i.e., defense activities); these defense-related costs, which include \$3,003,000 representing the security charges for reimbursable work, are funded under the Other Defense Activities and Naval Reactors accounts.

The Secretary announced in July 2002 that the Idaho National Engineering and Environmental Laboratory would become the Nation's leading center for nuclear energy research and development. Unfortunately, the Secretary's rhetoric has not been matched by the Department's budget request for nuclear energy research and development. In fact, nuclear energy research and development at the Idaho National Laboratory would actually decrease by over \$6 million under the Administration's fiscal year 2005 budget request. The Committee intends to reverse this trend by providing sufficient funds in fiscal year 2005 for research and facilities at Idaho to deliver on the Secretary's promise to make the Idaho National Laboratory the epicenter of nuclear energy research in this country.

The Committee strongly endorses the Administration's commitment to cooperate with the People's Republic of China in its expansion of nuclear power. As China begins a substantial program of nuclear power plant construction to meet its rising energy requirements, the Committee supports making the most advanced U.S. reactor technology available to ensure a safe and efficient nuclear power sector in China.

UNIVERSITY REACTOR FUEL ASSISTANCE AND SUPPORT

The Committee recommends \$24,000,000, an increase of \$3,000,000 over the budget request and \$639,000 over the current year. The Committee continues to support DOE's programs to sus-

tain existing university reactors and provide grants and fellowships that support nuclear science and engineering education. The additional funds are to be used to fund university reactor consortia under the Nuclear Infrastructure and Education (NIE) program.

NUCLEAR ENERGY RESEARCH AND DEVELOPMENT

The Committee believes that we will not build another nuclear power plant in this country until the spent fuel disposal question is resolved and the Yucca Mountain repository is on a secure path to licensing, construction, and operation. However, the Committee supports continued research and development to assist with the development of the next generation of reactor designs, and to develop advanced fuel cycles to minimize waste and proliferation concerns. The Committee recommendation for nuclear energy research and development is \$122,546,000, an increase of \$26,500,000 from the budget request.

Nuclear Energy Plant Optimization.—The Committee concurs with the Administration's proposal to eliminate funding for the nuclear energy plant optimization (NEPO) program in fiscal year 2005.

Nuclear Energy Research Initiative.—The Committee concurs with the Department's proposal to integrate nuclear energy research initiative (NERI) activities into the other nuclear R&D programs: Nuclear Power 2010, Generation IV Nuclear Energy Systems, Nuclear Hydrogen, and the Advanced Fuel Cycle Initiative. Consistent with the request, no separate funds are provided for NERI in fiscal year 2005.

Nuclear Power 2010.—The Committee provides \$5,000,000 for Nuclear Power 2010, a reduction of \$5,246,000 from the budget request. The Committee generally supports the efforts of the Department, working with industry, to facilitate the deployment of a Generation III+ reactor by demonstrating the Early Site Permit and combined Construction and Operation License processes. However, in the absence of a licensed repository for spent nuclear fuel, the Committee does not believe the Nuclear Regulatory Commission should license any new reactor plants in this country.

Generation IV Nuclear Energy Systems.—The Committee supports the Department's collaborative efforts on the research and development of a Generation IV reactor design that will be safer, more cost effective, and more proliferation resistant than current designs. Further, the Committee encourages the Department to focus on early deployment of a Next Generation Nuclear Plant (NGNP) at the Idaho National Laboratory, and believes the Department's efforts are better spent on the demonstration of a Generation IV NGNP rather than a Generation III+ plant under Nuclear Power 2010. The Committee recommends a total of \$40,546,000 for Generation IV Nuclear Energy Systems, an increase of \$10,000,000 over the budget request. Of these additional funds, \$6,000,000 is for work on the NGNP and \$4,000,000 is for Generation IV R&D. The Committee directs the Department to spend all of these additional funds at the Idaho National Laboratory. Included in this research should be an aggressive effort to improve the reliability of ceramic-coated fuel granules that are critical to achieving many of the benefits of Generation IV designs.

Nuclear hydrogen initiative.—The Committee provides \$9,000,000 for the nuclear hydrogen initiative, the same as the budget request. The Committee expects the Department to meet the requirements of the Hydrogen Future Act of 1996 (P.L. 104–271) for competition and industry cost sharing, and expects the Office of Nuclear Energy, Science and Technology to coordinate the nuclear hydrogen initiative fully with the other hydrogen research being conducted by the Office of Science and the Office of Energy Efficiency and Renewable Energy.

Advanced Fuel Cycle Initiative.—The Committee recommendation for the Advanced Fuel Cycle Initiative (AFCI) is \$68,000,000, an increase of \$401,000 over the current year and \$21,746,000 more than the budget request. The additional funds are to be used for separations technology development and advanced fuels development. Not less than half of the total funding provided for AFCI shall be spent at the Idaho National Laboratory. The Committee expects the Department to focus its AFCI research efforts on selecting the most promising technologies to be incorporated into the Next Generation Nuclear Plant early in the next decade.

RADIOLOGICAL FACILITIES MANAGEMENT

The purpose of the Radiological Facilities Management program is to maintain the critical infrastructure necessary to support users from the defense, space, and medical communities. These outside users fund DOE's actual operational, production, and research activities on a reimbursable basis. The Committee is concerned that the Department is not dedicating sufficient resources to maintain and upgrade its radiological facilities necessary to support this work. The Department's current policies allow the customers to pay only their share of operational costs at these facilities, with the Department assuming full responsibility for the costs of constructing, maintaining, and upgrading the necessary supporting infrastructure. The Committee directs the Department to review its current policies with respect to funding these facilities and make, not later than December 31, 2004, one of two possible recommendations to Congress—either the Department should maintain its current policies, in which case the Department must budget sufficient funds for these facilities beginning in the fiscal year 2006 budget request, or the Department must change its policies to require the users of these facilities to pay not only the operational costs but also their fair share of the capital cost of building, repairing, and upgrading these facilities. If the Department decides on the latter course of action, it must notify the users of these facilities promptly so that those agencies can budget sufficient funds in their respective fiscal year 2006 budget requests.

Space and defense infrastructure.—The Committee recommendation is \$33,800,000, the same as the budget request. This includes the requested amounts to complete the transfer of radioisotope power systems capabilities from Mound to the Idaho National Laboratory, for the plutonium-238 facilities at Los Alamos National Laboratory, and for neptunium-237 storage facilities at the Oak Ridge National Laboratory.

Medical isotopes infrastructure.—The Committee recommendation is \$34,810,000, the same as the budget request. Included with-

in this program amount is the requested funding of \$13,616,000 for continuation of work on Building 3019 for the U-233 disposition project at Oak Ridge National Laboratory, and for various facility costs at Brookhaven, Los Alamos, Oak Ridge, and Sandia national laboratories.

Enrichment facility infrastructure.—The Committee recommendation includes the requested \$500,000 for oversight of enrichment facilities at the Government-owned, USEC-operated gaseous diffusion plant at Paducah.

IDAHO FACILITIES MANAGEMENT

This program funds the operations and construction activities at the Idaho National Laboratory (INL), including ANL-West and the Test Reactor Area. The Committee provides \$123,050,000 for Idaho Facilities Management, an increase of \$15,000,000 over the budget request. Of this total, \$92,269,000 is allotted to the 270 budget function and the balance, \$30,886,000, is allotted to the 050 function and funded under Other Defense Activities and Naval Reactors.

Idaho National Laboratory operations.—The Committee recommends \$123,050,000, an increase of \$15,000,000 over the budget request. Included in the Idaho National Laboratory (INL) operations request is \$43,800,000 for laboratory transition and restructuring to prepare the site to complete its cleanup mission and meet new program missions. The Committee notes that the Secretary has done little to deliver on his promise of nearly two years ago to make INL the Department's and the Nation's lead laboratory for nuclear science and engineering. Although INL has unique facilities such as the Advanced Test Reactor (ATR), and will hopefully have the Next Generation Nuclear Plant sometime in the next decade, INL presently lacks a modern building to provide flexible office and laboratory space for resident and visiting researchers. Further, much of the existing office and laboratory space will be demolished in the near future as a result of the accelerated cleanup efforts at the Idaho site. Therefore, the Committee provides \$8,000,000 of additional funds in the laboratory transition and restructuring program to begin planning and design for a new office-laboratory building at INL to replace those facilities that will be eliminated under the accelerated cleanup program. The Department is directed to include line-item PED funds for this facility in the fiscal year 2006 budget request. The Committee notes that the Naval Reactors program is the principal user of the ATR and includes an additional \$10,000,000, to be transferred from the Naval Reactors program, to fund necessary repairs and upgrades to the ATR.

INL Construction.—The Committee recommends \$1,523,000 for Idaho facilities construction, the same as the budget request. This includes the requested amount to complete project 99-E-200, the electrical utility upgrade at the Test Reactor Area.

IDAHO SITEWIDE SAFEGUARDS AND SECURITY

Consistent with the budget request, this activity is funded at the requested level of \$58,103,000 as a 050 defense activity under the Other Defense Activities account.

SPENT NUCLEAR FUEL MANAGEMENT

The Committee recommendation for spent nuclear fuel management is \$6,723,000. The Committee recommendation provides the requested amount of funding, \$5,223,000, plus an additional \$1,500,000 (funded from Other Defense Activities) to inspect and repackage the spent fuel stored at the Lynchburg Technology Center in Virginia. The Department proposed to transfer responsibility for the management and operation of two NRC-licensed, Department-owned independent spent fuel storage installations (Ft. St. Vrain in Colorado and INTEC in Idaho) from the Office of Environmental Management to the Office of Civilian Radioactive Waste Management. The Department also proposed to transfer responsibility for the transportation of domestic research reactor fuel, from NRC-licensed university reactors and the High Flux Isotope Reactor at Oak Ridge National Laboratory, from the Office of Nuclear Energy, Science and Technology to the Office of Civilian Radioactive Waste Management. Given the low funding level provided to the Office of Civilian Radioactive Waste Management under the Administration's budget request for fiscal year 2005, the Committee does not support the proposed transfers to the Office of Civilian Radioactive Waste Management at this time. Because the Office of Nuclear Energy, Science and Technology already manages the Ft. St. Vrain and INTEC spent fuel storage installations, and is already responsible for university reactor fuel as well, the Committee directs the Office of Nuclear Energy, Science and Technology to assume these responsibilities that were proposed for transfer to the Office of Civilian Radioactive Waste Management.

PROGRAM DIRECTION

The Committee recommends a total funding level for program direction of \$60,285,000, the same as the budget request and \$1,434,000 more than the current fiscal year. Of this amount, \$26,427,000 is funded in the Energy Supply appropriation under budget function 270, and \$33,858,000 is funded in the Other Defense Activities appropriation under budget function 050.

CIVILIAN RADIOACTIVE WASTE MANAGEMENT

As noted above, the Committee does not agree with the Department's proposed transfer from the Office of Environmental Management to the Office of Civilian Radioactive Waste Management. The activities proposed for transfer are funded in the Spent Nuclear Fuel Management program of the Office of Nuclear Energy, Science and Technology.

ENVIRONMENT, SAFETY AND HEALTH

The Committee recommendation is \$28,000,000, a reduction of \$2,474,000 from the budget request but an increase of approximately \$5,135,000 over fiscal year 2004. Within this amount, the Department is directed to transfer \$1,000,000 to OSHA for the costs of OSHA regulation of worker health and safety at the Department's non-nuclear facilities not covered under the Atomic Energy Act. The Department requested a 133 percent increase in funding for policy, standards and guidance, in part justified by the

need to publish and implement the new occupational safety and health rule (10 CFR 851) as required by the National Defense Authorization Act for fiscal year 2002. The Committee does not support the new safety rule as proposed by the Department, and does not agree to fund such a rule with non-defense funds (i.e., 270 budget function dollars in the Energy Supply appropriation). In addition, the Department has voluntarily withdrawn this proposed rule based on adverse comments received from the Defense Nuclear Facilities Safety Board, among others. Therefore, the Committee provides no funds for the Department to finalize or implement this proposed safety rule in fiscal year 2005.

FUTURE LIABILITIES

The Committee does not agree with the proposal to establish a new Office of Future Liabilities. The Department should maintain these responsibilities within the existing Office of Environmental Management. Accordingly, no funds are provided in the Energy Supply appropriation to fund the non-defense activities of the proposed Office of Future Liabilities.

LEGACY MANAGEMENT

The Committee recommendation includes \$31,130,000 for the Office of Legacy Management, the same as the budget request. This funding is provided for the long-term surveillance and maintenance of non-defense DOE sites where remediation has been substantially completed, to oversee post-retirement benefits for former DOE contractor employees, and for records management and retrieval.

NON-DEFENSE ENVIRONMENTAL MANAGEMENT

The Non-Defense Environmental Management program includes funds to manage and clean up sites used for civilian, energy research, and non-defense related activities. These past activities resulted in radioactive, hazardous, and mixed waste contamination that requires remediation, stabilization, or some other type of action. The Non-Defense Environmental Management activities are funded in three separate accounts: Non-Defense Site Acceleration Completion for accelerated cleanup and closure activities; Non-Defense Environmental Services for those activities that indirectly support closure activities, or that support other missions of the Department; and the Uranium Enrichment Decontamination and Decommissioning Fund for environmental management responsibilities at the three gaseous diffusion enrichment plants (Oak Ridge, Portsmouth, and Paducah) and for reimbursement of licensees conducting cleanup of uranium and thorium processing sites.

Economic development.—None of the Non-Defense Environmental Management funds, including those provided in the Non-Defense Site Acceleration Completion, Non-Defense Environmental Services, and Uranium Enrichment Decontamination and Decommissioning Fund, are available for economic development activities.

NON-DEFENSE SITE ACCELERATION COMPLETION

Appropriation, 2004	\$162,411,000
Budget Estimate, 2005	151,850,000
Recommended, 2005	151,850,000
Comparison:	
Appropriation, 2004	- 10,561,000
Budget Estimate, 2005 .....	.....

The committee recommendation for Non-Defense Site Acceleration Completion is \$151,850,000, the same as the budget request.

Accelerated Completions, 2006.—The recommendation provides \$45,435,000, the same as the budget request, including \$29,017,000 for soil and water remediation at Brookhaven National Laboratory; \$8,453,000 for graphite research reactor decontamination and decommissioning at Brookhaven National Laboratory; \$4,070,000 for soil and water remediation at Lawrence Berkeley National Laboratory; \$2,500,000 for soil and water remediation at the Stanford Linear Accelerator Center; and \$1,395,000 for various cleanup activities at Argonne National Laboratory, the Inhalation Toxicology Laboratory, and the Laboratory for Energy-Related Health Research. The Committee encourages the Department to maintain its accelerated schedule for completion of several of these remediation projects during fiscal year 2005.

Accelerated Completions, 2012.—The recommendation provides \$98,191,000, the same as the budget request, including \$41,000,000 for solid waste stabilization and disposition at the West Valley Demonstration Project; \$32,000,000 for nuclear facility decontamination and decommissioning at West Valley; \$19,000,000 for nuclear facility decontamination and decommissioning at the Energy Technology Engineering Center; \$5,734,000 for decontamination and decommissioning of the High Flux Beam Reactor at Brookhaven National Laboratory; and \$457,000 for cleanup work at Argonne National Laboratory and various sites in California.

Accelerated Completions, 2035.—The recommendation provides \$8,224,000, the same as the budget request. This amount includes the requested \$7,773,000 for soil and water remediation measures at the former Atlas uranium mill tailings site at Moab, Utah, consistent with the recommendations of the final Environmental Impact Statement; and \$451,000 for decontamination and decommissioning of the Tritium System Test Assembly Facility at Los Alamos National Laboratory.

URANIUM ENRICHMENT DECONTAMINATION AND DECOMMISSIONING FUND

Appropriation, 2004	\$414,027,000
Budget Estimate, 2005	500,200,000
Recommended, 2005	500,200,000
Comparison:	
Appropriation, 2004	+86,173,000
Budget Estimate, 2005 .....	.....

The Uranium Enrichment Decontamination and Decommissioning Fund was established by the Energy Policy Act of 1992 (P.L. 102-486) to carry out environmental remediation at the nation's three gaseous diffusion plants, at the East Tennessee Technology Park in Oak Ridge, Tennessee, at Portsmouth, Ohio, and at

Paducah, Kentucky. Title X of the 1992 Act also authorized use of a portion of the Fund to reimburse private licensees for the Federal government's share of the cost of cleaning up uranium and thorium processing sites.

The Committee recommends \$500,200,000 for activities funded from the Uranium Enrichment Decontamination and Decommissioning Fund, the same as the budget request. This amount includes \$399,586,000 for decontamination and decommissioning activities at the gaseous diffusion plants and \$100,614,000 for uranium and thorium reimbursements.

NON-DEFENSE ENVIRONMENTAL SERVICES

Appropriation, 2004	\$337,465,000
Budget Estimate, 2005	291,296,000
Recommended, 2005	291,296,000
Comparison:	
Appropriation, 2004	- 46,169,000
Budget Estimate, 2005 .....	.....

The committee recommendation for Non-Defense Environmental Services is \$291,296,000, the same as the budget request. This amount includes the requested funding of \$245,123,000 for Non-Closure Environmental Activities (\$7,987,000 for nuclear materials stabilization at East Tennessee Technology Park; \$4,931,000 for nuclear materials stabilization at Paducah; \$51,000,000 for the depleted uranium hexafluoride conversion facility at Paducah; \$11,705,000 for nuclear materials stabilization at Portsmouth; \$51,000,000 for the depleted uranium hexafluoride conversion facility at Portsmouth; \$20,000,000 for decontamination and decommissioning (D&D) of the gaseous diffusion plant at Portsmouth; and \$98,500,000 for cold standby and technetium-99 removal at Portsmouth). The Committee allows the Department to reprogram funds between the Portsmouth D&D and cold standby subaccounts and encourages the Department to focus on cost-effective cleanup of the former gas centrifuge plant by June 2006 to facilitate deployment of the advanced centrifuge program, while meeting cold standby requirements as necessary. The Committee directs the Department to use its existing authorities to complete the uranium inventory exchange described in the June 17, 2002, agreement between the Department and the U.S. Enrichment Corporation, and to use uranium assets to finance the full costs of the technetium-99 removal program in fiscal year 2005.

The total for Non-Defense Environmental Services also includes the requested amount of \$46,083,000 for decontamination and decommissioning of the Fast Flux Test Reactor and \$90,000 for community and regulatory support at Brookhaven and Oakland. Note that funds for Legacy Management previously appropriated in this account are funded in Energy Supply in fiscal year 2005.

Depleted Uranium Hexafluoride Conversion Project.—Since the Department's previous budget request, the construction schedule for these two depleted uranium hexafluoride (DUF6) conversion plants, one at Portsmouth, Ohio, and the other at Paducah, Kentucky, has slipped by half a year, and the estimate of total project cost has increased by approximately ten percent. The Congressionally-directed independent review of the cost and schedule baseline

for the Hanford Waste Treatment Plant identified a number of significant problems in the Department’s estimating, change control, and contract management processes at that project. These results have not inspired confidence in the reliability of the Department’s cost and schedule baselines for other Environmental Management projects. Given the recent increases to the cost and schedule for the DUF6 conversion project, the Committee directs the Department to transfer \$1,250,000 each from the Portsmouth and Paducah DUF6 plants to the U.S. Army Corps of Engineers center of expertise on cost engineering to conduct a thorough independent review of the cost and schedule baseline for these two plants. In addition, this review should evaluate the recommendations of the DOE Inspector General (see DOE/IG–0642) regarding the economic advantages of adding another processing line to the Portsmouth plant. The Corps should provide a report on its review to DOE not later than May 15, 2005, and should provide a concurrent submission to the Committees on Appropriations.

SCIENCE

Appropriation, 2004	\$3,482,283,000
Budget Estimate, 2005	3,431,718,000
Recommended, 2005	3,599,964,000
Comparison:	
Appropriation, 2004	+117,681,000
Budget Estimate, 2005	+168,246,000

The Science account funds the Department’s work on high energy physics, nuclear physics, biological and environmental sciences, basic energy sciences, advanced scientific computing, maintenance of the laboratories’ physical infrastructure, fusion energy sciences, safeguards and security, science workforce development, and science program direction. The Committee recommendation is \$3,599,964,000, an increase of \$168,246,000 compared to the budget request.

The Committee has provided additional funding for the Office of Science to address the following Committee priorities: high performance computing; additional operating time, equipment upgrades, and staffing to support increased research opportunities at Office of Science user facilities; nanoscale science research; remediation of safety deficiencies at DOE Science laboratories; and restoration of domestic fusion funding displaced by the new international fusion initiative. The Committee also provides additional funding to continue essential research and development and preconceptual design for the Rare Isotope Accelerator.

External Regulation of DOE Science Laboratories.—In July 2002, the Department produced a Committee-directed implementation plan for external regulation. The Department identified several key unresolved questions about external regulation, specifically the unknown costs of transitioning to external regulation and the unknown cost savings that might result from such a transition. However, the Department stated that it “believes that these issues can be resolved” and “favors the prospect of a transition to external regulation . . .” The Committee has subsequently taken steps to resolve these questions, tasking the General Accounting Office (GAO) to identify the current costs of DOE’s self-regulation of the

Science laboratories and the potential savings that might result under external regulation. In its report (GAO-03-633R), the GAO found that the Department could save as much as \$41 million annually by shifting to external regulation of its Science laboratories. To address the question of transition costs, the Committee, in the Energy and Water Development Appropriations Act, 2003, directed the transfer of funds from the Department of Energy to the Nuclear Regulatory Commission (NRC) and the Occupational Safety and Health Administration (OSHA) to conduct compliance audits of the ten DOE Science laboratories. Upon completion of these audits, the Office of Science was tasked to prepare estimates of the costs to correct the identified deficiencies and bring these ten laboratories into compliance with NRC and OSHA safety standards.

The compliance audits revealed a backlog of safety-related deficiencies at the Department's ten Science laboratories. The existence and persistence of such a backlog is one of the unfortunate consequences of the Department's adherence to its current scheme of self-regulation. The Department is able to identify safety problems but is unable or unwilling to dedicate the necessary resources to correct these problems. The Committee added funding in fiscal year 2004 to address these safety deficiencies and is disappointed that the Department did not consider these safety deficiencies of sufficient importance to request any funding in fiscal year 2005. The Committee recommendation includes \$5,000,000 in fiscal year 2005 to continue resolving these outstanding safety deficiencies.

Through the direction of this Committee and with the cooperation of the ten Science laboratories, the Department's principal substantive objections to external regulation (i.e., unknown cost savings and unknown transition costs) have been resolved. The benefits of external regulation appear significant and the transition costs appear manageable. The Department's sole remaining objection to external regulation seems to be nothing more than a bureaucratic determination to preserve the Secretary's discretion to continue business as usual. In the Committee's view, the exercise of Secretarial discretion to continue neglecting worker safety by preserving the current ineffective scheme of self-regulation is not good public policy. When faced with mounting evidence of the efficacy and cost-effectiveness of external regulation, the Committee is unable to understand the Department's continued intransigence on this matter.

Open Competition.—In general, the Committee believes that new research facilities for the Office of Science should be openly competed among universities, private entities, federal laboratories and others qualified to build and operate such facilities. There are obviously exceptions, as when the new facility is specifically dependent on an existing reactor, light source, or accelerator located at an existing DOE laboratory or when the new facility represents a replacement of an existing facility. However, there should not be a default assumption that such facilities must be built at DOE national laboratories. The Committee is aware that research experiments associated with NASA flight missions, including those involving the development and delivery for flight of sophisticated instruments, are openly competed with universities, private companies, government laboratories, and others all able to submit pro-

posals. The Committee is also aware that DOE laboratories compete, actively against universities, private companies, and other government laboratories, for work from other Federal agencies. The Committee expects the Office of Science to apply the same standard of open competition for its own DOE-funded facilities. Accordingly, to enable many of Science facilities proposed in the Twenty-Year Facility Outlook to proceed, DOE is directed to determine how to accomplish such competition under current law and regulation or to develop proposals for changes to law or regulations to enable such competitions to proceed.

Performance Measures.—The Committee commends the Office of Science for its efforts to develop quantifiable performance measures for its research activities. Some of the measures (e.g., inverse picobarns) are less comprehensible to Congress than others, but the overall approach to quantitative performance measurement is worthwhile. The Office of Science presented clear data on operating time for user facilities within each Science subaccount, but future budget requests should include a standardized summary presentation for all Office of Science user facilities.

HIGH ENERGY PHYSICS

The Committee recommends a total of \$753,380,000 for high energy physics, an increase of \$16,000,000 over the budget request. The control level is at the High Energy Physics level. The additional funds are provided to meet increased electricity costs at the Stanford Linear Accelerator Center (SLAC) and to increase operating time and enhance user support at SLAC and the Fermi National Accelerator Laboratory. The Committee supports the Department's collaboration with the National Aeronautics and Space Administration (NASA) on the Gamma-ray Large Area Space Telescope (GLAST), the Alpha Magnetic Spectrometer (AMS), and the Joint Dark Energy Mission (JDEM), and encourages NASA to maintain the planned schedule for these missions.

NUCLEAR PHYSICS

The Committee recommendation for nuclear physics is \$415,040,000, an increase of \$14,000,000 over the budget request. An additional \$7,000,000 is provided to continue research and development and initiate conceptual design activities for the Rare Isotope Accelerator, and an additional \$7,000,000 is provided to increase utilization of the user facilities in the Nuclear Physics program.

BIOLOGICAL AND ENVIRONMENTAL RESEARCH

The Committee recommendation for biological and environmental research is \$571,590,000, an increase of \$75,000,000 over the budget request. The Committee recommendation provides an additional \$75,000,000 to maintain the program at approximately the same funding level as fiscal year 2004, which included several Congressionally-directed projects.

The Committee does not provide the requested \$5,000,000 to initiate Project Engineering and Design for the proposed new facility for the production and characterization of proteins and molecular

tags. The Committee does not agree with the Department's strategy of restricting competition for such a facility to only the DOE national laboratories. The Department should present in the fiscal year 2006 budget request an alternate procurement strategy for this and future Genomes to Life (GTL) facilities that will maximize rather than limit competition and will allow universities and other entities to compete with DOE national laboratories for these new GTL facilities. The Committee is aware that NASA has, for decades, conducted competitions for the development of research instrumentation among universities, NASA, DOE, and other government laboratories, and other entities. The Department is directed to develop a comparable approach to competition.

BASIC ENERGY SCIENCES

The Committee recommendation for basic energy sciences is \$1,076,530,000, an increase of \$13,000,000 over the budget request. For purposes of reprogramming during fiscal year 2005, the Department may allocate funding among all operating accounts within Basic Energy Sciences.

Research.—The Committee recommendation includes \$612,228,000 for materials sciences and engineering, and \$232,422,000 for chemical sciences, geosciences, and energy biosciences. The additional \$13,000,000 in these accounts is to fund additional research on nanoscale science, including research on low cost nanoparticles using plasma reactors at the Idaho National Laboratory, and increase operating time on the Basic Energy Sciences user facilities. Also included within this account is \$7,673,000 for the Experimental Program to Stimulate Competitive Research (EPSCoR), the same as the budget request.

Construction.—The Committee recommendation includes \$231,880,000 for Basic Energy Sciences construction projects, the same as the requested amount. The Committee recommendation provides the requested funding of \$80,535,000 for the Spallation Neutron Source (99-E-334) at Oak Ridge National Laboratory; \$32,085,000 for the Molecular Foundry (04-R-313) at Lawrence Berkeley National Laboratory; \$30,897,000 for the Center for Integrated Nanotechnologies (03-R-313) at Los Alamos and Sandia National Laboratories; \$20,075,000 for PED (03-SC-002) and \$30,000,000 for long-lead procurements (05-R-320) for the Linac Coherent Light Source at the Stanford Linear Accelerator Center; \$18,465,000 for the Center for Functional Nanomaterials (05-R-321) at Brookhaven National Laboratory; \$17,811,000 for the Center for Nanophase Material Sciences (03-R-312) at Oak Ridge National Laboratory; and \$2,012,000 for PED to support the various nanoscale science research centers (02-SC-002).

ADVANCED SCIENTIFIC COMPUTING RESEARCH

The Committee recommendation is \$234,340,000, an increase of \$30,000,000 over the budget request, with not more than \$25,000,000 of the increase devoted to hardware. The Committee provides these additional funds to support the Office of Science initiative to develop the hardware, software, and applied mathematics necessary for a leadership-class supercomputer to meet scientific computation needs. The Committee is disappointed that the efforts

of the High End Computing Revitalization Task Force (HEC RTF), under the lead of the Office of Science and Technology Policy (OSTP), did not translate into increased fiscal year 2005 funding requests for advanced scientific computing by any non-defense agencies other than the Department of Energy. The Department is encouraged to make substantial time available on its new leadership-class supercomputer to the laboratories of other government agencies, universities, and others with a compelling need for this capability, and to select these external users on a competitive basis as is presently done for users of the National Energy Research Scientific Computing Center.

SCIENCE LABORATORIES INFRASTRUCTURE

The Committee recommendation provides a total of \$42,336,000 for Science Laboratories Infrastructure, an increase of \$13,246,000 over the budget request but \$11,931,000 less than the current fiscal year. Of this increase, \$4,500,000 additional is provided to continue infrastructure subproject 18 under MEL-001 to support continuing activities at the Pacific Northwest National Laboratory to replace the infrastructure being displaced by the closure of the 300 Area at the Hanford site. The Committee directs the Department to include sufficient funds in the fiscal year 2006 budget request to continue this activity. An additional \$3,500,000 is provided to accelerate the other laboratory infrastructure projects under MEL-001. The Committee does not concur with the lack of a budget request to correct safety deficiencies at the Office of Science laboratories and provides \$5,000,000 to continue the corrective actions necessary to address the estimated \$56.6 million of deficiencies identified at these laboratories by the Occupational Safety and Health Administration and the Nuclear Regulatory Commission. An additional \$246,000 is provided to meet the Department's obligation for PILT payments at Argonne National Laboratory-East in fiscal year 2005 without offsetting reductions.

FUSION ENERGY SCIENCES

The Committee recommendation for fusion energy sciences is \$276,110,000, an increase of \$12,000,000 over the budget request. The additional \$12,000,000 is to be used to increase the utilization of existing large and small experiments; further work in inertial fusion technology; take advantage of opportunities in High Energy Density Physics, including research on fast ignition, and large-scale scientific computing; and provide for cost-effective construction and development of the National Compact Stellarator Experiment. The Committee notes the delay in site selection for the International Thermonuclear Experimental Reactor (ITER) and expects the Department to reduce its planned expenditures on ITER in fiscal year 2005 in consideration of this delay.

SAFEGUARDS AND SECURITY

The Committee recommends \$73,315,000, the same as the budget request, to meet additional safeguards and security requirements at Office of Science facilities.

SCIENCE WORKFORCE DEVELOPMENT

The Committee provides \$7,660,000 for Science Workforce Development in fiscal year 2005, the same as the requested amount.

SCIENCE PROGRAM DIRECTION

The Committee recommendation is \$155,268,000 for Science program direction. This amount includes: \$89,341,000 for program direction at DOE field offices and \$65,927,000 for program direction at DOE headquarters. The control level for fiscal year 2005 is at the program account level of Science Program Direction.

FUNDING ADJUSTMENTS

The Committee recommendation includes an offset of \$5,605,000 for the safeguards and security charge for reimbursable work, as proposed in the budget request.

NUCLEAR WASTE DISPOSAL

Appropriation, 2004	\$188,879,000
Budget Estimate, 2005	749,000,000
Recommended, 2005 .....	.....
Comparison:	
Appropriation, 2004	- 188,879,000
Budget Estimate, 2005	- 749,000,000

The Department of Energy requested a total of \$880,000,000 for work on the Yucca Mountain nuclear waste repository in fiscal year 2005, \$749,000,000 for Nuclear Waste Disposal and \$131,000,000 for Defense Nuclear Waste Disposal. However, the Department also assumed in its budget request that the full amount of \$749,000,000 for Nuclear Waste Disposal would be offset through the enactment of legislation to reclassify the fees paid into the Nuclear Waste Fund. The net request for discretionary spending for the repository in fiscal year 2005 is, therefore, only \$131,000,000. The Committee recommendation for Yucca Mountain mirrors the Administration's net request for discretionary spending in fiscal year 2005: \$0 for Nuclear Waste Disposal and \$131,000,000 for Defense Nuclear Waste Disposal. Within these limited funds, the Committee directs the Department to focus on maintaining the schedule for a December 2004 submittal of the License Application to the Nuclear Regulatory Commission.

This Committee strongly supports the proposed reclassification legislation, and encourages the House and Senate authorizing committees to pass promptly such legislation and the President to sign it into law. At this time, however, there are no indications that the reclassification language will be enacted in the near future. At best, the Office of Management and Budget (OMB) made an unwise budget calculation to assume this offset; at worst, OMB took a foolish political gamble by assuming that reclassification legislation would be enacted this year.

The consequences of this miscalculation are far-reaching. In response to an April 29, 2004, request from the Chairman and Ranking Member of the Energy and Water Development Subcommittee, the Department of Energy provided on May 24, 2004, the following

information on the impacts of funding the repository at \$131,000,000 in fiscal year 2005:

Effect on submission of the license application.—Approximately 70 percent of the 2,400 person Federal/contractor workforce would have to be eliminated. The remaining workforce would focus on completing the license application document. However, because the Reduction-In-Force (RIF) would likely cause turmoil within the program and result in the loss of highly skilled technical personnel, the submittal of the license application would be at risk.

Effect on planned initiation of repository operations in 2010.—The Department would be unable to initiate repository operations in 2010. With a shutdown of most program activities and the enormous challenge associated with replacing the Federal and contractor workforce should funds become available after such a shutdown, there would be an indefinite delay in opening the repository.

Effect on ongoing Federal and contract work on the repository.—The current payroll for the more than 2,200 contractors and 231 Federal staff working on the Program is approximately \$400 million in fiscal year 2004. The Department would direct its contractors to begin reduction-in-force activities, and would begin a reduction of the Federal workforce. In order to do this, the Department would have to undertake a radical descoping of the contract and begin reduction-in-force notifications to Federal staff by no later than July 31, 2004, in order to have RIFs take effect on October 1, 2004. An orderly shutdown would not be possible with such a precipitous reduction (nearly 80 percent) in resources from the previous fiscal year.

Effect, on state-by-state basis, on total Federal and contractor employment.—The program has approximately 231 Federal employees (Department of Energy and U.S. Geological Survey) and over 2,200 contractor employees who would be subject to a RIF. Site specific impacts would be:

	Federal employees	Contractor employees
Nevada	105	1,650
Idaho		161
California		159
New Mexico		96
Washington, DC metropolitan area	92	92
Colorado	34	34
Washington		63
Tennessee		5
Arizona		2
Texas		2
Totals	231	2,264

Additionally, Nevada and local government employees and their contractors who are supported by the over \$36 million budgeted in fiscal year 2005 for State, local government and university funding would not receive this funding.

DOE sites which possess high-level radioactive waste for disposal at Yucca Mountain.—There are three Department Sites in three states that possess high-level radioactive waste slated for disposal at Yucca Mountain.

State	Site
Idaho	Idaho National Engineering and Environmental Laboratory (Idaho Falls).
South Carolina	Savannah River (Aiken).
Washington	Hanford (Richland).

DOE sites, and any other Federal sites, which possess spent nuclear fuel for disposal at Yucca Mountain.—There are 15 Department or Federal sites in 9 states which possess spent nuclear fuel slated for disposal at Yucca Mountain.

State	Site
Colorado	Fort St. Vrain (Platteville). U.S. Geological Survey (Denver).
Idaho	Idaho National Engineering and Environmental Laboratory (Idaho Falls). Naval Reactors Facility (Idaho Falls). Argonne National Laboratory—West (Idaho Falls).
Illinois	Argonne National Laboratory—East (Argonne).
Maryland	National Institute of Standards and Technology (Gaithersburg). Armed Forces Radiobiology Research Institute (Bethesda). U.S. Army Aberdeen Proving Grounds (Aberdeen).
New Mexico	White Sands Missile Range (White Sands). Sandia National Laboratory (Albuquerque).
New York	Brookhaven National Laboratory (Upton).
South Carolina	Savannah River (Aiken).
Tennessee	Oak Ridge National Laboratory (Oak Ridge).
Washington	Hanford (Richland).

Non-federal sites, including commercial reactors, commercial storage sites, university reactors, and private research reactors, which possess spent nuclear fuel for disposal at Yucca Mountain.—There are 72 commercial reactor sites in 33 states that possess spent nuclear fuel slated for disposal at Yucca Mountain.

State	Commercial reactor sites
Alabama	Browns Ferry 1,2,3 (Decatur). Farley 1, 2 (Dothan).
Arizona	Palo Verde 1, 2, 3 (Wintersburg).
Arkansas	Arkansas Nuclear 1, 2 (Russellville).
California	Diablo Canyon 1, 2 (Avila Beach). Rancho Seco 1 (Ione). San Onofre 1, 2, 3 (San Clemente). Humboldt Bay 3 (Eureka).
Connecticut	Haddam Neck (Haddam). Millstone 1, 2, 3 (Waterford).
Florida	Crystal River 3 (Red Level). St. Lucie 1,2 (Hutchinson Island). Turkey Point 3, 4 (Florida City).
Georgia	Hatch 1, 2 (Baxley). Vogtle 1, 2 (Waynesboro).
Illinois	Clinton 1 (Clinton). Quad Cities 1, 2 (Cordova). Braidwood 1, 2 (Braidwood). Zion 1, 2 (Zion). Byron 1, 2 (Byron). Dresden 1, 2, 3 (Morris). LaSalle County 1, 2 (Seneca).
Iowa	Duane Arnold (Palo).
Kansas	Wolf Creek (Burlington).
Louisiana	Waterford 3 (Taft). River Bend 1 (St. Francisville).
Maine	Maine Yankee (Wiscasset).

State	Commercial reactor sites
Maryland	Calvert Cliffs 1, 2 (Lusby).
Massachusetts	Pilgrim 1 (Plymouth). Yankee-Rowe (Rowe).
Michigan	Enrico Fermi 2 (Newport). Cook 1, 2 (Bridgeman). Palisades (South Haven). Big Rock Point (Charlevoix).
Minnesota	Monticello (Monticello). Prairie Island 1, 2 (Red Wing).
Mississippi	Grand Gulf (Port Gibson).
Missouri	Callaway 1 (Fulton).
Nebraska	Cooper (Brownville). Fort Calhoun (Calhoun).
New Hampshire	Seabrook (Seabrook).
New Jersey	Oyster Creek (Forked River). Salem 1, 2/Hope Creek 1 (Lower Alloways).
New York	FitzPatrick/Nine Mile Point 1, 2 (Scriba). Indian Point 1, 2, 3 (Buchanan). Ginna (Ontario).
North Carolina	Brunswick 1, 2 (Southport). Harris (New Hill). McGuire 1, 2 (Cornelius).
Ohio	Davis-Besse (Oak Harbor). Perry (Perry). Trojan (Prescott).
Oregon	Susquehanna 1, 2 (Berwick).
Pennsylvania	Limerick 1, 2 (Pottstown). Peach Bottom 2, 3 (Delta). Three Mile Island 1 (Middletown). Beaver Valley 1, 2 (Shippingport).
South Carolina	Robinson 2 (Hartsville). Catawba 1, 2 (Clover). Oconee 1, 2, 3 (Seneca). Summer (Parr).
Tennessee	Sequoyah 1, 2 (Soddy-Daisy). Watts Barr (Spring City).
Texas	Comanche Peak 1, 2 (Glen Rose). South Texas Project 1, 2 (Palacios).
Vermont	Vermont Yankee (Vernon).
Virginia	North Anna 1, 2 (Mineral). Surry 1, 2 (Gravel Neck).
Washington	Columbia Generating Station (Richland).
Wisconsin	Point Beach 1, 2 (Two Creeks). Kewaunee (Carlton). LaCrosse (Genoa).

There are two commercial storage sites in two states with spent nuclear fuel slated for Yucca Mountain.

State	Commercial storage sites
Illinois	General Electric (Morris).
Virginia	BWX Technologies, Inc. (Lynchburg).

There are 33 University and Private Research Reactor sites in 22 States with spent nuclear fuel slated for Yucca Mountain.

State	University and private research reactors
Arizona	University of Arizona (Tucson).
California	University of California (Irvine). General Electric (Pleasanton). University of California at Davis (Sacramento). General Atomics (2) (San Diego). Aerotest Research (San Ramon).

State	University and private research reactors
Florida	University of Florida (Gainesville).
Idaho	Idaho State University (Pocatello).
Illinois	University of Illinois (2) (Urbana).
Indiana	Purdue University (West Lafayette).
Kansas	Kansas State University (Manhattan).
Maryland	University of Maryland (College Park).
Massachusetts	University of Lowell (Lowell). Massachusetts Institute of Technology (Cambridge). Worcester Polytechnic Institute (Worcester).
Michigan	Dow Chemical Company (Midland).
Missouri	University of Missouri (Columbia). University of Missouri (Rolla).
New Mexico	University of New Mexico (Albuquerque).
New York	State University of New York (Buffalo). Manhattan College (Bronx). Rensselaer Polytechnic Institute (Troy).
North Carolina	North Carolina State University (Raleigh).
Ohio	Ohio State University (Columbus).
Oregon	Oregon State University (Corvallis). Reed College (Portland).
Pennsylvania	Pennsylvania State University (University Park).
Rhode Island	Rhode Island Atomic Energy Commission (Narragansett).
Texas	Texas A&M University (2) (College Station). University of Texas (Austin).
Utah	University of Utah (Salt Lake City).
Washington	Washington State University (Pullman).
Wisconsin	University of Wisconsin (Madison).

Reactor sites that are undergoing or have completed decontamination and decommissioning which possess high-level waste or spent nuclear fuel slated for disposal at Yucca Mountain.—There are 13 commercial and Federal reactor sites in 10 States that are shutdown and are undergoing or have completed decontamination which possess spent nuclear fuel.

State	Reactor site
California	Rancho Seco 1 (Ione). Humboldt Bay 3 (Eureka). General Atomics (2) (San Diego).
Colorado	Fort St. Vrain.
Connecticut	Haddam Neck (Haddam).
Illinois	University of Illinois (2) (Urbana).
Maine	Maine Yankee (Wiscasset).
Maryland	U.S. Army Aberdeen Proving Grounds (Aberdeen).
Massachusetts	Yankee-Rowe (Rowe).
Michigan	Big Rock Point (Charlevoix).
New York	State University of New York (Buffalo). Manhattan College (Bronx).
Oregon	Trojan (Prescott).

In addition, there are two commercial reactor sites in two States that are shutdown that have not begun decontamination.

State	Reactor site
Illinois	Zion 1,2.
Wisconsin	LaCrosse.

All other domestic sites that possess material, either high-level radioactive waste or spent nuclear fuel, which is destined for disposal at Yucca Mountain.—Three other domestic sites in three States

possess material that may be disposed at Yucca Mountain either high-level radioactive waste or spent nuclear fuel.

State	Site
New Mexico	Los Alamos National Laboratory (Albuquerque).
New York	West Valley Demonstration Project (West Valley).
Texas	Pantex Plant (Amarillo).

All foreign reactor sites that possess spent nuclear fuel or high-level waste destined for disposal at Yucca Mountain.—The Department’s 1995 Record of Decision on the Foreign Research Reactor (FRR) Acceptance Program Final Environmental Impact Statement identified 104 reactors in 41 countries that are eligible to participate in the program. The reactors conduct research activities and are significantly smaller than any commercial reactor. The FRR Acceptance Program was designed to promote the United States’ non-proliferation objectives by returning spent fuel containing enriched uranium of U.S. origin from other countries. Although 104 reactors were identified as eligible, the Department does not expect that all reactors will choose to participate in the program. It is estimated that about 19 metric tons of spent fuel from these foreign reactors would require disposal at Yucca Mountain.

Legal and financial consequences for the Federal government if it fails to remove high-level radioactive waste from the Department’s cleanup sites such as Hanford, Idaho, and Savannah River.—If the Federal government fails to remove waste from the Department’s cleanup sites, the Department will incur costs of continued storage of the high-level waste until such time as it can be removed. In fact, the cost of storing and handling this waste is estimated to increase by up to \$500 million for each year that removal is delayed.

Legal and financial consequences for the Federal government if it fails to remove spent nuclear fuel from existing Federal storage sites such as the Idaho National Laboratory.—The Department has an agreement with the State of Idaho regarding removal of spent nuclear fuel from existing Federal storage sites, such as the Idaho National Environmental and Engineering Laboratory (INEEL), that was memorialized in a 1996 settlement agreement. This agreement, referred to as the “Batt Agreement,” sets out the rights and responsibilities of the State of Idaho and the Departments of Energy and the Navy regarding management or storage of various types of nuclear fuel, including spent nuclear fuel. The Batt agreement provides that if the Federal government fails to remove all spent fuel from INEEL by 2035, then, subject to the availability of appropriations provided in advance, the Federal parties will pay to the State of Idaho \$60,000 for each day such removal requirement has not been met. Additionally, to the extent DOE fails to meet substantive obligations or requirements under the agreement, e.g., exceeding shipment limitations set out in the agreement, shipments of DOE spent fuel to INEEL will be suspended until such time that the obligations or requirements are satisfied.

Similarly, the Department has an agreement with the State of Colorado that provides if the Federal government fails to remove all the spent fuel located at Fort St. Vrain, Colorado, from the State by January 1, 2035, then, subject to the availability of appropriations provided in advance for this purpose, the Department will

provide annual funding to the State of Colorado in the amount of \$15,000 for each day after January 1, 2035, until the fuel is removed.

Legal and financial consequences for the Federal government if it continues to be unable to accept spent nuclear fuel from commercial reactors, as is required by the Nuclear Waste Policy Act of 1982, as amended, and by the Department's contracts with the utilities operating those reactors.—To date, more than 65 claims have been filed by utilities in the Court of Federal Claims for breach of contract to recover monetary damages incurred as a result of the Department's delay. For each year of delay beyond 2010 that the Department is unable to begin accepting spent nuclear fuel from commercial reactors pursuant to the Department's contracts with utilities, the Department estimates that the utilities will incur costs of \$500 million a year to store their spent fuel at utility sites, some portion of which the Department would be liable for. A delay in opening the repository could substantially increase the Department's liability.

DEPARTMENTAL ADMINISTRATION

GROSS APPROPRIATION

Appropriation, 2004	\$215,255,000
Budget Estimate, 2005	261,873,000
Recommended, 2005	243,876,000
Comparison:	
Appropriation, 2004	+28,621,000
Budget Estimate, 2005	-17,997,000

MISCELLANEOUS REVENUES

Appropriation, 2004	\$ -123,000,000
Budget Estimate, 2005	-122,000,000
Recommended, 2005	-122,000,000
Comparison:	
Appropriation, 2004	+1,000,000
Budget Estimate, 2005	

The Committee recommendation for Departmental Administration is \$243,876,000, a decrease of \$17,997,000 from the budget request of \$261,873,000. Funding recommended for Departmental Administration provides for general management and program support functions benefiting all elements of the Department of Energy, including the National Nuclear Security Administration. The account funds a wide array of headquarters activities not directly associated with program execution.

Of the total \$261,873,000 requested for Departmental Administration, the majority (\$213,336,000) represents salaries and benefits for the Federal employees at DOE headquarters, and for related expenses (i.e., travel, training, and support service contracts). The Committee is concerned that the requested funding for the Departmental Administration salaries and expenses accounts increased on average by 12 percent in fiscal year 2005 compared to fiscal year 2004. Several accounts (e.g., Office of the Secretary, Chief Information Officer, and Policy and International Affairs) show increases of approximately 30 percent, and other accounts (e.g., Congressional and Intergovernmental Affairs, Economic Impact and Diversity, General Counsel, and Public Affairs) show in-

creases in excess of 10 percent. When the Administration's proposed pay raise for Federal civilian workers is only 1.7 percent in fiscal year 2005, and when staffing levels stay relatively constant from fiscal year 2004 to fiscal year 2005, the Committee considers any proposed increase for salaries and expenses greater than 10 percent to be excessive and unjustified. Therefore, the Committee reduces the various salaries and expenses accounts within Departmental Administration to limit increases to no more than 10 percent in fiscal year 2005. The Committee also reduced the large (i.e., 58 percent) increase requested for the Corporate Management Information Program due to budget constraints.

Office of Engineering and Construction Management.—The Committee continues to support the Office of Engineering and Construction Management within the Office of Management, Budget and Evaluation as the focal point for improving project management within the Department. An essential part of this project management effort is the External Independent Review (EIR) conducted by this office to verify the accuracy of cost and schedule baseline estimates. The recent Corps of Engineers review of the baseline for the Hanford Waste Treatment Plant implies that existing EIRs may not have sufficient depth and detail to identify cost increases such as occurred with the Waste Treatment Plant. The Committee directs the Chief Financial Officer to reserve the appropriate amount of funds in the first quarter of the fiscal year from the Offices of Nuclear Energy, Science, Environmental Management, the National Nuclear Security Administration, and any other program offices with construction projects to conduct EIRs at a sufficient level of detail to verify project baselines as required under Project Management Order 413.3.

Working Capital Fund.—The Committee renews its guidance as presented in House Report 107–681 regarding management of the Working Capital Fund.

Revenues.—The recommendation for revenues is \$122,000,000, consistent with the estimate of revenues provided by the Congressional Budget Office.

Transfer from Other Defense Activities.—For many years, full funding for all corporate and administrative activities of the Department has been provided in the energy portion of this bill despite the fact that the Department's funding is provided in the national security and defense-related cleanup programs account for approximately 75 percent of the Department's total budget. In fiscal year 2004, the Committee directed the Department to submit its fiscal year 2005 budget request showing a proportional contribution to Departmental Administration from Other Defense Activities. The Committee recommendation transfers \$92,440,000 from Other Defense Activities for national security programs, the same as the amount requested in the budget and authorized by the House Armed Services Committee.

OFFICE OF INSPECTOR GENERAL

Appropriation, 2004	\$39,229,000
Budget Estimate, 2005	41,508,000
Recommended, 2005	41,508,000
Comparison:	
Appropriation, 2004	+2,279,000
Budget Estimate, 2005 .....	.....

The Office of Inspector General performs agency-wide audit, inspection, and investigative functions to identify and correct management and administrative deficiencies that create conditions for existing or potential instances of fraud, waste and mismanagement. The audit function provides financial and performance audits of programs and operations. The inspections function provides independent inspections and analyses of the effectiveness, efficiency, and economy of programs and operations. The investigative function provides for the detection and investigation of improper and illegal activities involving programs, personnel, and operations.

The Committee recommendation is \$41,508,000, the same as the budget request.

ATOMIC ENERGY DEFENSE ACTIVITIES

The Atomic Energy Defense Activities programs of the Department of Energy include the National Nuclear Security Administration that consists of Weapons Activities, Defense Nuclear Nonproliferation, Naval Reactors, and the Office of the Administrator; Defense Environmental Management programs which include Site Acceleration Completion and Defense Environmental Services; Other Defense Activities; and Defense Nuclear Waste Disposal. Descriptions of each of these accounts are provided below.

NATIONAL NUCLEAR SECURITY ADMINISTRATION

The Department of Energy is responsible for enhancing U.S. national security through the military application of nuclear technology and reducing the global danger from the proliferation of weapons of mass destruction. The National Nuclear Security Administration (NNSA), a semi-autonomous agency within the Department, carries out these responsibilities. Established in March 2000 pursuant to Title 32 of the National Defense Authorization Act for Fiscal Year 2000 (P.L. 106-65), NNSA is responsible for the management and operation of the Nation's nuclear weapons complex, naval reactors, and nuclear nonproliferation activities. Three offices within the NNSA carry out the Department's national security mission: the Office of Defense Programs, the Office of Defense Nuclear Nonproliferation, and the Office of Naval Reactors. The Office of the NNSA Administrator oversees all NNSA programs.

The Committee recommendation for the NNSA is \$9,027,171,000, a decrease of \$21,529,000 from the budget request of \$9,048,700,000, but an increase of \$372,038,000 over fiscal year 2004.

Nuclear Weapons Complex Wide Review.—The Committee commends the Department for finally submitting a revised Nuclear Weapons Stockpile Report that reflects the President's commitment, announced back on November 13, 2001, to draw down our

nuclear forces toward the goal of 1,700–2,200 operationally-deployed strategic nuclear warheads between now and 2012. The revised Stockpile Plan makes a significant reduction to the total stockpile size in recognition of post-Cold War realities. During the fiscal year 2005 budget hearings, the Committee pressed the Secretary on the need for a systematic review of requirements for the weapons complex over the next twenty-five years, and the Secretary committed to conducting such a review. The Secretary's report should assess the implications of the President's decisions on the size and composition of the stockpile, the cost and operational impacts of the new Design Basis Threat, and the personnel, facilities, and budgetary resources required to support the smaller stockpile. The report should evaluate opportunities for the consolidation of special nuclear materials, facilities, and operations across the complex to minimize security requirements and the environmental impact of continuing operations.

The Secretary should assemble a team of outside experts to assist with this review. Prior reviews have largely been conducted by insiders from the weapons complex, who produce the predictable but not very credible recommendation that the Department should preserve the status quo and maintain all existing facilities and capabilities. As part of the five-year integrated budget plan for the entire Department that is directed elsewhere in this report, the Secretary will have to balance NNSA requirements against competing needs for other DOE programs. This will require an objective review that is only possible with the help of independent experts who are not, and have not been, part of the NNSA weapons complex.

The Committee directs the Secretary to submit a written report on his findings and recommendations on the NNSA complex to the House and Senate Committees on Appropriations and Armed Services not later than April 30, 2005.

Nevada Test Site Land Withdrawal.—The Committee supports the efforts of the NNSA to find expanded uses for the unique capabilities associated with the Nevada Test Site (NTS). The recent NNSA announcement outlining plans to build a new complex for testing and evaluating sensor systems for border crossings, ports, and other transportation facilities at the NTS is an important effort to integrate many of the vital research and development activities done by the Department's national laboratories in support of new homeland security requirements. The Committee notes, however, that the original administrative land withdrawal in 1952 (Public Land Order 805) transferred land from the Bureau of Land Management to the Atomic Energy Commission for use as a "weapons testing site." Although the Nevada Test Site is presently being used for a number of other purposes, and is being proposed for new uses as outlined above, the Department has not updated the original land withdrawal to reflect the multitude of existing and proposed uses in addition to weapons testing. The Committee directs the Department of Energy to enter into formal consultations with the Department of the Interior regarding the multiple uses and, if necessary, revise and update the land withdrawal to reflect those additional uses.

WEAPONS ACTIVITIES

Appropriation, 2004	\$6,235,502,000
Budget Estimate, 2005	6,568,453,000
Recommended, 2005	6,514,424,000
Comparison:	
Appropriation, 2004	+278,922,000
Budget Estimate, 2005	-54,029,000

The goal of the Weapons Activities program is to ensure the safety, security, reliability and performance of the Nation's nuclear weapons stockpile. The program seeks to maintain and refurbish nuclear weapons to sustain confidence in their safety and reliability under the nuclear testing moratorium and arms reduction treaties. The Committee's recommendation for Weapons Activities is \$6,514,424,000, a decrease of \$54,029,000 from the budget request of \$6,568,453,000, but an increase of \$278,922,000 over fiscal year 2004.

NNSA production plant revitalization.—The Committee is concerned with the condition of the operating facilities and security infrastructure of the weapons complex production plants. The Committee's concern derives from the systematic under-funding of the production plants after the cessation of full weapons production and testing over a decade ago. In subsequent years, the weapons activities budget increases went primarily to the weapons complex laboratory facilities to support the unproven experiment of science-based stockpile stewardship, but at the expense of funding for infrastructure requirements at the production plants. As the NNSA resumes production activities to refurbish the enduring stockpile under the Life Extension Programs (LEPs), the work requirements on the production plants will increase significantly. Inadequate production plant budgets will not support the maintenance of LEP schedules while at the same time meeting increased security requirements, an increased pace of dismantlements, and safely operating sixty-year-old industrial facilities. The Committee has made supporting the revitalization of the production plants a priority for the fiscal year 2005 weapons activity budget.

Budgeting by warhead number.—The Committee notes that the Directed Stockpile Work for fiscal year 2005 budget request was developed so that Congress can appropriate and the NNSA can manage by the individual weapons systems that make up the U.S. nuclear stockpile. The Committee commends the NNSA for achieving this milestone and will work with the NNSA to ensure that the transition to budgeting by weapons system creates a more efficient and transparent budget process for both the Congress and the Executive Branch.

While the NNSA has made great progress in budgeting by weapons type, the weapons activities campaign costs are still unassigned to specific weapons systems even though the budget justifications for many of the proposed campaign activities are tied directly to the life extension requirements. The Committee is particularly concerned that the NNSA has yet to develop a managerial cost accounting system that provides the full cost of the refurbishments programs and validates the cost estimates that are used to develop the budget requests. The Committee directs the NNSA to assign the associated life extension costs by weapons type associ-

ated with each campaign, and thereby provide a comprehensive cost accounting of each life extension program.

Reprogramming Authority.—The Committee provides limited reprogramming authority within the Weapons Activities account without submission of a reprogramming to be approved in advance by the House and Senate Committees on Appropriations. The reprogramming control levels will be as follows: directed stockpile work, retired warheads stockpile systems, science campaigns, engineering campaigns, advanced simulation and computing, pit manufacturing and certification, readiness campaigns, and operating expenses for readiness in technical base and facilities. The reprogramming control level for inertial confinement fusion ignition and high yield campaign is at the major technical effort subprogram level reflected in the Committee Report table. This should provide the needed flexibility to manage these programs.

In addition, funding of not more than \$5,000,000 may be transferred between each of these categories and each construction project subject to the following limitations: only one transfer may be made to or from any program or project; the transfer must be necessary to address a risk to health, safety or the environment or to assure the most efficient use of weapons activities funds at a site. This reprogramming authority may not be used to initiate new programs or programs specifically denied, limited, or increased by Congress in the Act or report. The Committees on Appropriations in the House and Senate must be notified within 15 days of the use of this reprogramming authority.

Transfers during the fiscal year which would result in increases or decreases in excess of \$5,000,000 or which would be subject to the limitations outlined in the previous paragraph require prior notification by the Department's Chief Financial Officer and approval from the House and Senate Committees on Appropriations.

DIRECTED STOCKPILE WORK

Directed Stockpile Work (DSW) includes all activities that directly support weapons in the nuclear stockpile, including maintenance, research, development, engineering, certification and dismantlement and disposal activities. The Directed Stockpile Work account has been restructured to budget by weapons system beginning with the fiscal year 2005 budget request. The DSW account provides all the direct funding for the Department's life extension activities, which are designed to extend the operational service life of the existing nuclear weapons stockpile, by providing new subsystems and components for each warhead.

The Committee's recommendation is \$1,324,878,000, a decrease of \$81,557,000 from the budget request. The Committee notes that the submittal of the new Stockpile Plan with lower overall stockpile numbers obviates the need for any programmatic acceleration in the Life Extension Program activities for the B61, W76, and W80. The Committee reiterates its direction to the Department to reassess the entire scope and schedule of the stockpile refurbishment efforts to account for the changes mandated in the revised Stockpile Plan.

The Committee recommendation includes \$437,438,000 for the DSW Life Extension Programs, a reduction of \$40,000,000 from the

budget request. The Committee directs the reduction to be taken against the W80 LEP activity. The Committee provides \$496,095,000 for the DSW Stockpile Systems activities, a decrease of \$40,000,000 from the budget request. The Committee recommendation includes a \$40,000,000 reduction to the DSW Stockpile Systems activities of the W80 and the W87 to reduce the significant program increase over current year levels pending the recommendations of the weapons complex review.

Retired Warhead Stockpile Systems.—The Committee recommendation includes \$130,258,000 for Retired Warhead Stockpile Systems, an increase of \$65,000,000 over the budget request. The Committee expects the NNSA to develop a robust program of continuous dismantlements, with aggressive near-term milestones, rather than treating dismantlement as low priority work used to fill in during lulls in the LEP schedule. The Committee notes with disappointment the funding levels for warhead dismantlement in the out-years of the NNSA Future Years Nuclear Security Plan. The NNSA's fiscal year 2005 budget request of \$65,258,000 drops to less than \$14,000,000 in fiscal year 2007 and continues at a level insufficient to accomplish the dismantlements required as a logical outcome of the Presidentially-directed reductions to the overall stockpile inventory of weapons. The Committee directs the NNSA to develop a dismantlement program plan to be submitted with the fiscal year 2006 budget request that details the reduction goals and budget requirements year by year to achieve the 2012 stockpile levels agreed to in the Moscow Treaty. The Committee encourages the NNSA to examine expanding warhead dismantle capacity within the weapons complex by using the Device Assembly Facility at the Nevada Test Site. The Committee expects the NNSA to request a funding level sufficient to continue the aggressive dismantlement work in the fiscal year 2006 budget request.

The Committee provides \$261,087,000 for DSW Stockpile Services, a reduction of \$66,557,000 from the budget request. The Committee recommendation provides \$147,986,000 for research and development certification and safety, a decrease of \$10,000,000 from the budget request, and \$113,101,000 for stockpile services management, technology, and production, a decrease of \$20,000,000 from the budget request. DSW Stockpile Services activities funds are unallocated to a specific weapons system life extension program. In light of the reductions in the revised Nuclear Stockpile Plan, the Committee's reductions should be assessed against accelerated DSW stockpile services activities not directly associated with a specific life extension program pending the recommendations in the Complex wide review.

Robust Nuclear Earth Penetrator and Advanced Concepts research.—The Committee provides no funds for the Advanced Concept Initiative and the Robust Nuclear Earth Penetrator (RNEP) feasibility study. The National Nuclear Security Administration requested \$36,557,000 in Directed Stockpile Work to explore advanced weapons concepts, including \$27,557,000 to continue feasibility and cost studies for the Robust Nuclear Earth Penetrator (RNEP) and \$9,000,000 for other advanced concepts definition studies. The Committee eliminates funding for RNEP and additional advanced concepts research in favor of higher priority cur-

rent mission requirements. The Committee continues to oppose the diversion of resources and intellectual capital away from the most serious issues that confront the management of the nation's nuclear deterrent. The NNSA Future Years Nuclear Security Plan includes a funding profile with \$484.7 million for the RNEP over the next five years and indicates plans to move the program all the way to Phase 6.4, one step short of production. The Department has not provided the Committee with any budget justification describing how a study to modify an existing nuclear weapon could conceivably cost half a billion dollars.

Given the FYNSP funding profile, the Committee remains unconvinced by the Department's superficial assurances that the RNEP activity is only a study and that advanced concepts is only a skills exercise for weapons designers. The Committee notes that the management direction for fiscal year 2004 sent to the directors of the weapons design laboratories left little doubt that the objective of the program was to advance the most extreme new nuclear weapon goals irrespective of any reservations expressed by Congress. The Committee cautions the Department to be more consistent in the tone and content of its communication exchanges with the Congress and subsequent Departmental policy direction sent to its employees and contractors. The use of artful language to communicate one message with Congress and another with its employees on issues of special interest erodes the credibility of the NNSA and destroys the trust necessary for a useful dialogue in setting public policy.

The Committee recognizes the dilemma the NNSA's nuclear weapon design laboratories find themselves in after the Cold War. In the absence of a Cold War between nuclear-armed superpowers, the importance of nuclear weapons to the war fighters in the Pentagon has steadily diminished. The pressure on the nuclear weapon design laboratories to maintain the canonical role for their weapons in order to justify increasing budgets becomes very difficult. By contrast, the Committee's priorities are maintaining our Nation's nuclear deterrent in a safe and secure condition and maintaining our Nation's integrity in the international effort to halt the proliferation of weapons of mass destruction. The Department's obsession with launching a new round of nuclear weapons development runs counter to those priorities. The Committee directs the NNSA to focus wholly on its primary mission of maintaining the safety, security, and viability of the existing stockpile by executing the Stockpile Life Extension Program and Science-based Stewardship activities on time and within budget.

CAMPAIGNS

Campaigns are focused efforts involving the three weapons laboratories, the Nevada Test Site, the weapons production plants, and selected external organizations to address critical capabilities needed to achieve program objectives. The Committee recommendation is \$2,252,048,000, a decrease of \$141,792,000 below the budget request of \$2,393,840,000.

In order to facilitate review of the President's annual budget request, the Committee continues to direct the Department to provide project baseline data for each campaign to include a brief de-

scription of the campaign with planned completion dates, the total estimated cost of each campaign, the costs by fiscal year for each major component of the campaign, and a list of major milestones by year. The Committee expects the Department to provide detailed project baseline data for each campaign showing the annual and five-year costs, schedule, scope, and key deliverables for individual project activities as part of the fiscal year 2006 budget request.

From within funds provided for the various campaigns, the Committee directs that \$4,350,000 be provided to continue the University Research Program in Robotics (URPR) for the development of advanced robotic technologies for strategic national applications.

Science campaigns.—The Committee recommendation for science campaigns is \$256,962,000, a reduction of \$44,000,000 from the budget request. The primary assessment technology campaign was reduced \$15,000,000 to limit the enhanced test readiness initiative to the goal of achieving a 24-month test readiness posture. The Committee continues to oppose the 18-month test readiness posture and refers the Department to the unambiguous Congressional language provided in the fiscal year 2004 Conference Report requiring the Department to achieve and maintain a 24-month test readiness posture. The Committee has not been kept informed, as requested in the fiscal year 2004 Conference Report, on the progress of the Department's efforts to restore the current 24-month test readiness requirement and, therefore, continues to have unanswered questions on the efficacy of the overall test readiness initiative. The Committee recommendation includes \$81,521,000 for dynamic materials properties campaign, a reduction of \$10,000,000 from the budget request. The Committee recommendation includes \$48,371,000 for the advanced radiography campaign, a reduction of \$14,000,000 from the budget request. The Committee is disappointed with the continued delay in the commissioning of the Dual-Axis Radiographic Hydrotest facility (DARHT), which is significantly over budget and behind schedule. The secondary assessment technologies campaign recommendation is \$60,597,000, a reduction of \$5,000,000 to the significant increase proposed over the current year funding level pending the outcome of the Secretary's review of the weapons complex.

Engineering campaigns.—The Committee recommendation for engineering campaigns is \$222,984,000, a decrease of \$20,000,000 from the budget request. The Committee recommendation for the enhanced surety campaign is \$33,121,000, a reduction of \$5,000,000 to the budget request. The Committee's recommendation maintains current year funding levels. The Committee provides \$27,270,000 for the Weapons Systems Engineering Assessment Technology campaign, the same as the budget request. The Committee questions the continued high level of funding requested in the Nuclear Survivability campaign to assess the ability of the weapons in the stockpile to continue to function as designed during a massive nuclear exchange. In the post-Cold War world with no new weapon production ongoing, this activity is a waste of scarce resources. The Committee provides \$9,460,000 for the Nuclear Survivability campaign, a reduction of \$15,000,000 to the budget re-

quest. The Committee recommendation for the enhanced surveillance campaign is \$99,879,000, the same as the budget request.

Construction projects.—The Committee recommends \$48,654,000, the same as the budget request, for Project 01–D–108, Microsystems and engineering science applications (MESA), at Sandia National Laboratories in New Mexico.

Inertial Confinement Fusion Ignition and High Yield Campaign.—The Committee recommends \$545,034,000 for the inertial confinement fusion program, an increase of \$53,000,000 over the budget request of \$492,034,000.

The Committee is greatly concerned by the Department's fiscal year 2005 budget justification as it related to the program goals for the National Ignition Facility (NIF). In the budget justification, the NNSA seemed to waiver in its commitment to NIF by delaying the proposed date for achieving ignition from 2010 to 2014. The Committee views ignition as the sole benchmark for success in this program and is very concerned the four-year slip in the ignition milestone buried in the NNSA's budget justification documents represents a change in the Department's commitment to ignition in favor of less challenging goals for the NIF. The Committee's priority is on completion of the project in 2008 and achieving the functional requirement of first ignition in 2010. The Committee directs that no funds be expended, directly or indirectly, for additional capabilities for NIF that are not specified in the current baseline until the NIF project is completed in 2008 and ignition attempted in 2010. Any diversions represent significant risk to a project that has already experienced well-publicized cost and schedule problems. The Committee's appropriation for the ICF campaign will be controlled at the major technical effort (MTE) subprogram level noted in the Committee Report tables. Neither the Department nor the national laboratory will divert funds from within the control levels as appropriated without first submitting a formal reprogramming request to the Appropriations and Armed Services Committees.

The Committee directs the NNSA to develop a management process that is consistent with DOE Order 413.3 and manages the ignition, diagnostic, cryogenic and experimental subprograms as projects incorporating a work breakdown structure to track scope, cost, schedule, and key milestones within a management control system. The Committee directs the NNSA to report quarterly on the milestone cost and schedule variance within the respective experimental programs from the NIF 2000 rebaselined program.

The Committee notes that the Defense Science Board (DSB) has been asked to review the NIF Activation and Early Use Plan. The Committee expects the NNSA to submit a copy of the NIF Activation and Early Use Plan to the Committee by September 30, 2004, and a copy of the DSB report when it is completed. The Committee expects the NNSA to insist on a review body that represents the best independent external review capability, free of professional or personal relationships that may lead to the appearance of partiality in the content of the report.

The Committee recommendation provides \$130,000,000 for construction of the National Ignition Facility (NIF), the same as the budget request.

The Committee recommendation includes \$25,000,000 to continue development of high average power lasers and supporting science and technology within the Inertial Fusion Technology line. The Committee recommendation includes the budget request of \$11,049,000 for the Naval Research Laboratory, and \$73,469,000 for the University of Rochester, an increase of \$28,000,000 over the budget request. The additional funding has been provided for the University of Rochester's Laboratory for Laser Energetics within the High-Energy Petawatt Laser Development MTE to accelerate the OMEGA Extended Performance capability, a four beam super-high-intensity, high-energy laser facility for support of the nation's stockpile stewardship program. The Committee notes that, other than the few operational beams of NIF, the OMEGA facility is the only large laser implosion facility available for NNSA weapons work and will continue to be a primary laser facility for NNSA Stockpile Stewardship activities. The Committee notes that the University of Rochester is providing over \$20 million for the building to house the OMEGA extended performance.

Advanced simulation and computing (ASCI).—The Committee recommendation for Advanced Simulation and Computing is \$666,260,000, a reduction of \$75,000,000 from the budget request. The Committee has consistently requested budget justifications that include project plans with scope, cost, schedule and key milestones tied to ASCI program goals in order to understand and track program progress in the NNSA's computing activities. The Committee requests that NNSA work with the Committee to define and develop ASCI program products with associated milestones to make progress transparent for the Committee and the Department in future years. Within available funds, the Committee recommendation provides \$10,000,000 for power and fiber-optic upgrades, development of a technology training center, and hardware and software upgrades in conjunction with the Ohio Supercomputer Center at Springfield, Ohio, and \$2,500,000 to complete the three-dimensional chip-scale packaging integrated with spray cooling at Pacific Northwest National Laboratory.

Pit Manufacturing and Pit Certification.—The Committee recommendation for the pit manufacturing and certification campaign is \$295,681,000, a reduction of \$40,792,000 from the budget request. The Committee's recommendation maintains the current year funding level. The Committee commends the Los Alamos National Laboratory for its work restoring the pit production capability to the nuclear weapons production complex. The Committee continues to oppose the Department's accelerated efforts to site and begin construction activities on a modern pit facility and urges the Department to continue to concentrate its management attention on meeting the fiscal year 2007 schedule for a certified pit ready for the stockpile. The Committee provides \$142,005,000, a \$10,000,000 increase to the budget request, for W88 Pit Manufacturing and \$101,470,000 for W88 Certification, the same as the budget request. The Committee provides the additional \$10,000,000 in pit manufacturing to accelerate the ongoing work to expand the capacity of TA-55 at Los Alamos National Laboratory to address near-term pit manufacturing requirements as a production hedge

while the Department completes the accelerated plutonium aging experiments.

The Committee provides no funds for pit manufacturing capability, a reduction of \$20,992,000 to the budget request. The Committee continues to believe that work on pit manufacturing should be focused on expansion of the pit production capability of TA-55 at Los Alamos National Laboratory and notes that the sooner an expanded capability comes on line, the smaller its capacity needs to be to meet future stockpile requirements. Accordingly, the Committee provides no funds for the modern pit facility (MPF) pending the outcome of the Secretary's review of the weapons complex and the accelerated pit aging experiments. The current suite of DOE facilities (e.g. NIF, Hanford vitrification plant, DARHT) that were proposed with great promise only to experience extended schedule delays and enormous cost overruns leads this Committee to take a very cautious approach with the taxpayers' money when considering another major infrastructure investment. The Committee will consider a modern pit facility design only when the pit aging experiments are completed and the future MPF capacity requirements as a function of the 2012 stockpile and the expanded TA-55 production capability are determined.

The Committee provides the budget request for Pit Campaign Support Activities at the Nevada Test Site.

Readiness campaigns.—The Committee recommendation for Readiness Campaigns is \$265,127,000, a reduction of \$15,000,000 from the budget request. The Committee recommends \$45,812,000, for Stockpile Readiness, the same as the budget request. The Committee recommends \$34,220,000 for High Explosives Manufacturing and Weapons Assembly/Disassembly, the same as the budget request. The Committee recommends \$30,457,000 for Nonnuclear Readiness, a reduction of \$5,000,000 from the budget request. The Committee recommendation includes \$74,788,000 for Advanced Design and Production Technologies, a reduction of \$10,000,000 from the budget request. The Committee's reductions limit program growth and maintain current year funding levels. The Committee recommends \$79,850,000 for Tritium Readiness, the same as the budget request.

READINESS IN TECHNICAL BASE AND FACILITIES

The Readiness in Technical Base and Facilities (RTBF) program supports the physical and operational infrastructure at the laboratories, the Nevada Test Site, and the production plants. The Committee recommendation is \$1,652,454,000, an increase of \$178,000,000 above the budget request of \$1,474,454,000.

Operations of facilities.—The Committee recommendation for Operations of facilities is \$1,151,557,000, an increase of \$134,000,000 over the budget request. Additional funding of \$45,000,000 has been provided for the Pantex Plant in Texas, \$5,000,000 for the Kansas City Plant in Kansas, and \$80,000,000 for the Y-12 Plant in Tennessee to address chronic under-funding in the maintenance of production plant facilities. The Committee encourages the NNSA to accelerate the reduction of the facility footprint at the Y-12 plant in order to modernize operations and reduce security costs. The Committee provides an additional \$4,000,000 to accelerate the

relocation of the special nuclear material at TA-18 in Los Alamos National Laboratory to the Device Assembly Facility at the Nevada Test Site.

Program Readiness.—The Committee recommendation is \$101,204,000, a decrease of \$5,000,000 to the budget request. The Committee does not support the Department's proposal for NNSA to fully fund the Nuclear Criticality Safety Program (NCSP). The Committee directs the Department to continue to fund this DOE-wide infrastructure program with multiple DOE program sponsors.

Special Projects.—The Committee recommendation for Special Projects is \$15,534,000, a reduction of \$5,000,000 from the budget request. The Committee recommendation reduces Special Project funding for independent and internal reviews and independent cost estimating requirements for RTBF activities. The Committee directs the NNSA to include direct funding for those activities within the construction activities.

The Committee recommendation for Material Recycle and Recovery is \$86,965,000, the same as the budget request. The Committee recommendation for Containers is \$17,910,000, the same as the budget request. The Committee recommendation for Storage is \$18,982,000, the same as the budget request.

Construction projects.—

Project 05-D-140, Project engineering and design (PED)—RTBF, various locations. The Committee recommends \$21,600,000, an increase of \$10,000,000. The additional PED funds are provided to begin planning and design for impact-resistant bunkers for additional warhead storage facilities for nuclear warheads with conventional high explosives at the Pantex Plant in Texas.

Project 05-D-401, Building 12-64 Upgrade, Pantex Plant, Amarillo, TX. The Committee recommends \$25,100,000, the same as the budget request.

Project 05-D-402, Beryllium Capability (BeC) Project, Y-12 National Security Complex, Oak Ridge, TN. The Committee recommends \$3,627,000, the same as the budget request.

Project 03-D-102, LANL Administration Building, LANL, Los Alamos, NM. The Committee recommends \$37,348,000, the same as the budget request.

Project 04-D-125, Chemistry and Metallurgy Research Facility Replacement (CMRR)—LANL. The Committee recommends \$10,000,000 for the CMRR project, a decrease of \$14,000,000 from the budget request. The NNSA's fiscal year 2005 budget justification states that significant budget reductions in fiscal year 2004 and Departmental reductions to the fiscal year 2005 request will impact the outyear funding profile and schedule for this project. The NNSA concludes in its budget justification that additional analysis is required to validate cost estimates that are coming in at the high end of the pre-conceptual baseline range. Due to the complexity of this project and the uncertainty of the current estimates, the Committee directs the NNSA to complete its pre-conceptual baseline cost estimating and include in the fiscal year 2006 budget request the revised schedule and cost estimates.

Project 04-D-128, TA-18 mission relocation project, LANL, Los Alamos, NM. The Committee recommends \$8,000,000, an increase of \$8,000,000 over the budget request. The Committee's rec-

ommendation accelerates the relocation of the special nuclear material at TA-18 in Los Alamos National Laboratory to the Device Assembly Facility at the Nevada Test Site.

Project 01-D-124, Highly Enriched Uranium Materials Facility, Y-12 National Security Complex, Oak Ridge, TN. The Committee recommends \$114,000,000, an increase of \$50,000,000 over the budget request. Consistent with the Secretary of Energy's security initiatives announced in May 2004, the Committee directs the Department to accelerate the construction and operational start of the HEU Materials Facility to the maximum extent practicable to provide for consolidated storage of HEU at the Y-12 Plant. This acceleration is intended to address security issues raised by the General Accounting Office and internal Departmental security reviews related to multiple HEU storage locations at the facility.

FACILITIES AND INFRASTRUCTURE RECAPITALIZATION

The Committee recommendation for Facilities and Infrastructure Recapitalization Program (FIRP) is \$273,544,000, a reduction of \$42,680,000 from the budget request, but an increase of \$34,838,000 over the current year.

FIRP is a corporate program to restore, rebuild, and revitalize the physical infrastructure of the nuclear weapons complex. Its purpose is to stem the deterioration of the complex and address the backlog of maintenance, repair, and upgrade projects. The Committee directs NNSA to ensure that funds for recapitalization are not diverted to fund ongoing maintenance and programmatic needs while at the same time guarding against the inefficiency of large uncosted balances.

The Committee directs that at least \$50,000,000 of the facilities and infrastructure funding in fiscal year 2005 be used to dispose of excess facilities. The Committee encourages continuation of this program to reduce the overall facilities footprint of the complex. The Committee continues to expect that services for D&D and demolition of excess facilities services be procured through open-competition where such actions provide the best return on investment for the federal government. The Committee directs the NNSA to continue a free and open competition process for at least 70 percent of the funds provided for disposing of excess facilities.

Facility Infrastructure and Recapitalization Construction Projects.—The Committee recommendation provides \$24,681,000 for FIRP construction projects, the same as the budget request.

SECURE TRANSPORTATION ASSET

The Secure Transportation Asset program provides for the safe, secure movement of nuclear weapons, special nuclear materials, and non-nuclear weapon components between military locations and nuclear weapons complex facilities within the United States. The Committee recommendation is \$201,300,000, the same as the budget request.

NUCLEAR WEAPONS INCIDENT RESPONSE

The Committee recommendation for nuclear weapons incident response is \$99,209,000, the same as the budget request. This activ-

ity was funded at \$89,167,000 in Readiness in Technical Base and Facilities in fiscal year 2004.

SAFEGUARDS AND SECURITY

This program provides for all safeguards and security requirements at NNSA landlord sites. The Committee recommendation is \$740,991,000, an increase of \$34,000,000 over the budget request. The Committee increase includes \$30,000,000 for the Y-12 National Security Complex to accelerate security infrastructure upgrades and consolidate the facility footprint. The Committee provides \$4,000,000 for safeguard and security upgrades at the Device Assembly Facility (DAF) at the Nevada Test Site to accelerate the Secretary of Energy's security initiative to remove all category I and II nuclear material from TA-18 at Los Alamos National Laboratory as soon as practicable. The Committee urges the Department to bring innovative technology to bear on the problems of increased physical safeguards and security measures. Additional manpower is only a stopgap solution to address security concerns throughout the weapons complex. With program needs going unmet and infrastructure deteriorating, the Committee strongly encourages the NNSA to review these growing costs and seek smarter and more efficient ways to meet security needs.

FUNDING ADJUSTMENTS

The budget request included an offset of \$30,000,000 for the safeguards and security charge for reimbursable work, the same as the budget request.

DEFENSE NUCLEAR NONPROLIFERATION

Appropriation, 2004	\$1,364,514,000
Budget Estimate, 2005	1,348,647,000
Recommended, 2005	1,348,647,000
Comparison:	
Appropriation, 2004	- 15,867,000
Budget Estimate, 2005 .....	.....

The Defense Nuclear Nonproliferation account includes funding for Nonproliferation and Verification Research and Development; Nonproliferation and International Security; Nonproliferation Programs with Russia including International Materials Protection, Control, and Cooperation, Russian Transition Initiative, Highly Enriched Uranium (HEU) Transparency Implementation, Elimination of Weapons-Grade Plutonium Production, and Fissile Materials Disposition; and Offsite Source Recovery Project. Descriptions of each of these programs are provided below.

NONPROLIFERATION AND VERIFICATION RESEARCH AND DEVELOPMENT

The nonproliferation and verification research and development program conducts applied research, development, testing, and evaluation of science and technology for strengthening the United States response to threats to national security and to world peace posed by the proliferation of nuclear weapons and special nuclear materials. Activities center on the design and production of operational sensor systems needed for proliferation detection, treaty

verification, nuclear warhead dismantlement initiatives, and intelligence activities.

The Committee recommendation is \$241,500,000, an increase of \$21,500,000 over the budget request, and includes \$118,044,000 for proliferation detection, an increase of \$6,500,000 over the budget request for high priority research requirements; \$111,931,000 for nuclear explosion monitoring, an increase of \$10,000,000 over the request, of which \$25,000,000 is for ground-based systems for treaty monitoring; and \$11,525,000 for supporting activities, an increase of \$5,000,000 over the request. The Committee provides the additional \$5,000,000 within Supporting Activities for project engineering and design funding to support the relocation of laboratory personnel and facilities displaced by the planned shutdown and cleanup of the 300 Area at the Hanford reservation in Washington. The Committee supports the timely development of replacement infrastructure at the Pacific Northwest National Laboratory (PNNL) and directs the Office of Nuclear Nonproliferation to coordinate closely with the Office of Science on the transition schedule and construction plans to maintain the national security capabilities resident at PNNL. As the largest single programmatic customer of PNNL, the NNSA should work with the Office of Science and request sufficient funds in the fiscal year 2006 budget request to maintain the construction schedule to replace facilities at PNNL to accommodate the 300 Area closure. From within available funds, the Committee recommendation provides \$2,000,000 for testing of high-pressure xenon radiation detectors at the Brookhaven National Laboratory Rad-Tech facility for portal applications.

The Committee expects the Department to continue to provide greater opportunity for open competition, where appropriate, for nonproliferation and verification research and development activities and directs the Department to continue a free and open competitive process for at least 50 percent of its research and development activities during fiscal year 2005 for ground-based systems treaty monitoring. The competitive process should be open to all Federal and non-Federal entities.

Annual Report Requirement.—The Committee directs the Department to prepare an annual report of each project with the baseline cost, scope and schedule, deliverables, lab performing the research and development, and the proposed user and submit this with the fiscal year 2006 budget.

NONPROLIFERATION AND INTERNATIONAL SECURITY

The Nonproliferation and International Security program (formerly the Arms Control program) seeks to detect, prevent, and reverse the proliferation of weapons of mass destruction materials, technology, and expertise. The major functional areas of the program include: nonproliferation policy; international safeguards; export control; treaties and agreements; and international emergency management and cooperation. The Committee recommendation for Nonproliferation and International Security is \$124,000,000, the same as the budget request. The recommendation includes \$63,216,000 for Nonproliferation Policy, \$31,330,000 for International Safeguards, \$22,246,000 for Export Control activities, \$3,208,000 for Treaties and Agreements, and \$4,000,000 for Inter-

national Emergency Management and Cooperation. From within available funds, the Committee recommendation provides \$150,000 to continue the successful collaboration between Texas A&M and Russian universities on nuclear facilities safety, nuclear materials management, and decontamination and decommissioning technologies.

While the Committee has consistently been a strong supporter of nuclear nonproliferation activities conducted by the Department, the Secretary of Energy's recent announcement outlining a new nonproliferation initiative called the Global Threat Reduction Initiative was poorly timed for consideration during the current appropriations process. The Committee does not support initiatives with substantial funding requirements without sufficient prior consultation and coordination with the appropriate Congressional Committees. The Committee looks forward to considering a funding request for this new initiative when the Department either submits a formal reprogramming request with appropriate offsets or requests a fiscal year 2005 budget amendment. Given the current austere budget environment, the Committee directs the Department to include with any proposed budget amendment or reprogramming request a justification including a detailed description of the nonproliferation risk-based priority setting process as it relates to relative risk and resource allocation.

The Committee recommendation includes the budget request of \$2,000,000 for the Kazakhstan Spent Fuel Disposition initiative to secure three tons of weapons-grade plutonium in the BN-350 reactor spent fuel at Aktau, Kazakhstan. None of the funds provided for this activity in fiscal year 2005, or previous fiscal years, may be obligated for transportation equipment or activities without first notifying the Appropriations and Armed Services Committees.

NONPROLIFERATION PROGRAMS WITH RUSSIA

The Department of Energy funds many nonproliferation programs with Russia. These programs help secure Russian nuclear weapons and weapons material, prevent the outflow of scientific expertise from Russia, eliminate excess nuclear weapons materials, and downsize the Russian nuclear weapons complex.

Limitation on Russian Program Funds.—The Committee remains concerned that the Department is not putting a high enough management priority on ensuring that as much of the funds appropriated for the Russian programs as practical are spent in Russia rather than at the Department's own national laboratories in the U.S. The Department's contracting mechanisms are resulting in excess funds going to pay laboratories for contract administration and oversight that would be better performed by Federal personnel. The Committee expects more direct contracting will be a result of the Nuclear Nonproliferation office achieving its Federal staffing goals in the current year. The Department's national laboratories should be used to provide technical oversight and programmatic guidance in those areas where they have special expertise. The Committee directs that not more than 40 percent of the funding for Russian programs may be spent in the U.S.

INTERNATIONAL NUCLEAR MATERIALS PROTECTION AND COOPERATION

The International Nuclear Materials Protection and Cooperation program, commonly known as Materials Protection Control and Accounting (MPC&A), is designed to work cooperatively with Russia to secure weapons and weapons-usable nuclear material. The focus is to improve the physical security at facilities that possess or process significant quantities of nuclear weapons-usable materials that are of proliferation concern. Activities include installing monitoring equipment, inventorying nuclear material, improving the Russian security culture, and establishing a security infrastructure.

The Committee recommendation is \$415,250,000, an increase of \$177,250,000 over the budget request. The Committee's increase to the MPC&A program is provided to take advantage of the expanded opportunities for additional high priority work in Russia that came to light after the budget request was submitted to the Congress. The Committee supports the Department's efforts to continue to negotiate greater access to the Russian serial production enterprise and move promptly to secure material when site access is granted. The Committee recognizes the importance of expanding new opportunities and supports the MPC&A program's aggressive nonproliferation work while other areas of the Nuclear Nonproliferation program continue to be mired in bureaucratic battlefields accomplishing nothing for the taxpayer. The Committee will concentrate its limited nonproliferation resources on the vast quantities of highly attractive material that exists in Russia. The Committee views the hundreds of metric tons of nuclear material in Russia still stored under inadequate security and subject to theft or diversion as the highest risk potential for diversion of weapons-usable nuclear materials.

Within funds provided for MPC&A, the Committee provides an additional \$32,000,000 for Strategic Rocket Forces activities to accelerate securing nuclear warhead sites in Russia. The Committee recommendation includes \$78,250,000, for the MinAtom Weapons Complex, an increase of \$35,250,000 to begin MPC&A upgrades at one serial production enterprise site and to begin construction of a central storage facility for weapons-usable material. The Committee provides an additional \$20,000,000 for the Second Line of Defense program to accelerate installation activities in the Baltic and Caucasus regions and other critical border activities. The Committee provides \$45,000,000 in the Second Line of Defense program for the MegaPorts initiative, a \$30,000,000 increase over the budget request. An increase of \$60,000,000 is provided for other high priority MPC&A activities, to include countries outside the former Soviet Union.

RUSSIAN TRANSITION INITIATIVE

The Committee recommendation for the Russian Transition Initiative (RTI) program is \$41,000,000, the same as the budget request. The Russian Transition Initiative includes the Initiative for Proliferation Prevention (IPP) program and the Nuclear Cities Initiatives (NCI) to develop projects to employ Russian weapons scientists and downsize the Russian weapons complex. The Committee expects the Department to accelerate by two years, from

2008 to 2006, its Annual Performance target for the RTI program to achieve matching contributions of non-US Government sources from the current goal of 80 percent of project funds to a 100 percent full match in 2006.

HIGHLY ENRICHED URANIUM (HEU) TRANSPARENCY IMPLEMENTATION

The highly enriched uranium (HEU) transparency implementation program develops and implements mutually agreeable transparency measures for the February 1993 agreement between the United States and the Russian Federation. This agreement, which has an estimated value of \$12 billion, covers the purchase over 20 years of low enriched uranium (LEU) derived from 500 metric tons of HEU removed from dismantled Russian nuclear weapons. Under the agreement, conversion of HEU components into LEU is performed in Russian facilities. The Committee recommendation is \$20,950,000, the same as the budget request.

ELIMINATION OF WEAPONS-GRADE PLUTONIUM PRODUCTION PROGRAM

The Elimination of Weapons-Grade Plutonium Production Program (EWGPP) was transferred from the Department of Defense to the Department of Energy in fiscal year 2003. This is a cooperative effort with the Federation of Russia to stop plutonium production at three nuclear reactors still in operation in Russia, two located at Seversk and one at Zheleznogorsk. The three reactors have approximately 15 years of remaining lifetime and could generate an additional 25 metric tons of weapons-grade plutonium. They also provide heat and electricity required by the surrounding communities. The current approach is to shut down these three reactors within six years by providing two alternate fossil-fueled energy plants to supply heat and electricity to the surrounding communities. The original cost estimate provided to the Committee in 2002 included a high-end estimate of \$470,000,000 for the total cost of the program. A preliminary revised cost estimate discussed with the Committee in May 2004 now indicates a total program cost approaching \$1.2 billion. The Committee is unprepared to perpetuate the Department's preference for proposing new initiatives with inadequate cost estimates, only to be confronted with significant cost increases once Congress has begun funding the activity. From within available funds, the Committee directs the Department to transfer \$4,000,000 to the U.S. Army Corps of Engineers to conduct a detailed independent cost estimate for both fossil fuel plant projects in Russia. This independent cost estimate should be completed no later than April 30, 2005. Faced with such significant cost growth, the Committee must consider other alternatives to control costs or terminate the project. The Committee recommendation is \$15,097,000, a \$35,000,000 reduction to the President's request.

FISSILE MATERIALS DISPOSITION

The fissile materials disposition program is responsible for the technical and management activities to assess, plan and direct efforts to provide for the safe, secure, environmentally sound long-term storage of all weapons-usable fissile materials and the disposition of fissile materials declared surplus to national defense

needs. The Committee is greatly concerned with the continued impasse between the United States and Russia on negotiations over liability protections for U.S. companies and personnel conducting nonproliferation work in Russia. Because Congress requires both the U.S. and Russian disposition programs proceed in parallel, the protracted liability negotiations have already resulted in a one-year delay in the planned construction start in Russia and the U.S. from summer 2004 to summer 2005. The Committee has no reason to proceed with fiscal year 2005 budget decisions under the assumption that the liability dispute is nearing resolution.

While the Committee supports successful implementation of the department's nuclear nonproliferation activities, the inability of the Department to maintain the continuity of the government-to-government implementing agreements for Plutonium Disposition activities calls into question its commitment to completing this program. Given the Committee's budget constraints, it would be irresponsible to allocate hundreds of millions for a program that is currently prohibited from spending the funds. The Committee notes that the program received full funding in the current year anticipating a construction start in July 2004, and the subsequent one-year delay results in the carryover of significant uncosted funds. If the liability negotiations are concluded successfully and program activities can proceed on schedule in 2005, the Committee directs the department to seek a reprogramming to restore the required funding.

The Committee recommendation is \$483,250,000, a reduction \$165,750,000 from the budget request, to accommodate a delay in full funding until program activities can continue under a revised U.S.-Russia Plutonium Disposition implementing agreement. Funding of \$184,700,000 is provided for U.S. surplus materials disposition and \$31,500,000 for the Russian plutonium disposition program.

Construction projects.—The Committee recommendation includes \$234,750,000 for Project 99–D–143, the Mixed Oxide Fuel Fabrication facility project, a reduction of \$133,250,000 from the budget request. Funding of \$32,300,000 is provided for Project 99–D–141, the Pit Disassembly and Conversion Facility project.

OFF-SITE SOURCE RECOVERY PROJECT

The Off-Site Source Recovery Project recovers excess and unwanted sealed sources from non-Department of Energy sites and stores the material at Department facilities to reduce and ultimately eliminate the risk these sources pose to homeland security by their possible use in a radiological dispersal device. The Committee recommendation is \$7,600,000, an increase of \$2,000,000 above the budget request. The additional \$2,000,000 is provided for the Nuclear and Other Hazardous Materials Transportation Research Project at the South Carolina State University's Transportation Center.

NAVAL REACTORS

Appropriation, 2004	\$761,878,000
Budget Estimate, 2005	797,900,000
Recommended, 2005	807,900,000
Comparison:	
Appropriation, 2004	+46,022,000
Budget Estimate, 2005	+10,000,000

The Naval Reactors program is responsible for all aspects of naval nuclear propulsion—from technology development through reactor operations to ultimate reactor plant disposal. The program provides for the design, development, testing, and evaluation of improved naval nuclear propulsion plants and reactor cores. These efforts are critical to ensuring the safety and reliability of 102 operating Naval reactor plants and to developing the next generation reactor. The Committee recommendation is \$807,900,000, an increase of \$10,000,000 over the budget request. This additional amount is to be transferred to the Office of Nuclear Energy to support the Idaho National Laboratory's Advanced Test Reactor (ATR). As the primary user of the Advanced Test Reactor, the Naval Reactors program should ensure its future budget requests support the ongoing requirements to upgrade and maintain the ATR.

OFFICE OF THE ADMINISTRATOR

Appropriation, 2004	\$337,974,000
Budget Estimate, 2005	333,700,000
Recommended, 2005	356,200,000
Comparison:	
Appropriation, 2004	+18,226,000
Budget Estimate, 2005	+22,500,000

The Office of the Administrator of the National Nuclear Security Administration (NNSA) provides corporate planning and oversight for Defense Programs, Defense Nuclear Nonproliferation, and Naval Reactors, including the NNSA field offices in New Mexico, Nevada, and California. The Committee recommendation is \$356,200,000, an increase of \$22,500,000 above the budget request. This additional amount is provided to increase the NNSA contribution to the Department's support for Historically Black Colleges and Universities (HBCUs). The Committee's recommendation for the Office of the Administrator removes the separate line for the Office of Defense Nuclear Nonproliferation program direction to allow greater management flexibility for the Administrator. However, the Committee expects the Administrator to continue to maintain separate program direction budget and reporting accounting codes for the Office of Defense Nuclear Nonproliferation to maintain cost accountability between the separate programs within the NNSA.

The Committee directs the Administrator of NNSA to provide at least \$5,000,000 for the NNSA Office of Engineering and Construction Management for External Independent Reviews (EIRs) of NNSA projects and continue to provide financial support for training and mentoring programs to improve the skills of NNSA project managers. The Committee recommendation provides \$12,000, the same as the budget request, for official reception and representation expenses for the NNSA.

Historically Black Colleges and Universities (HBCUs).—The Committee is troubled by the level of the NNSA's support for Historically Black Colleges and Universities. Funding data provided to the Committee by the Department documents this disappointing level of support. Annual funding for the NNSA is now in excess of nine billion dollars, while the NNSA contribution to the nation's HBCUs in fiscal year 2003 (the last year of available cost data) was a paltry \$1.2 million. The Committee finds it difficult to reconcile the NNSA's level of support for the HBCUs juxtaposed against the level of discretionary funding available to the NNSA's national laboratories under the authority of the Laboratory Directed Research and Development (LDRD) program, which the Department justifies principally as a means to recruit and retain competent scientific and technical staff. In fiscal year 2003, the three weapons labs taxed appropriated program funds to create an LDRD pool of more than \$250,000,000 that was spent at the sole discretion of the individual laboratory directors and was neither controlled by the Congress nor managed by the Federal managers at the Department. Given that degree of financial flexibility built into the NNSA's weapons budget, the Committee feels it is in the Nation's best interest to support the HBCU educational institutions across the country in order to deepen the recruiting pool of diverse scientific and technical staff available to the NNSA and its national laboratories in support of the nation's national security programs.

The Committee recommendation provides \$22,500,000, one-quarter of one percent of the NNSA budget request, to support the HBCUs scientific and technical programs. The Committee recommendation includes \$2,000,000 each for Wilberforce University and Central State University in Wilberforce, Ohio; and \$2,000,000 each for Claflin College in Orangeburg, SC and Allen University in Columbia, SC; \$500,000 each for Morris College in Sumter, SC and Benedict College in Columbia, SC; and \$1,000,000 for Voorhees College in Denmark, SC. The Committee notes that the NNSA provided \$19,800,000 million in fiscal year 2003 in support of Hispanic Serving Institutions (HSIs). The Committee encourages continued generous support of the HSIs and intends the addition of fiscal year 2005 funding for the HBCUs will result in year-to-year funding parity for both sets of institutions in future fiscal years.

ENVIRONMENTAL AND OTHER DEFENSE ACTIVITIES

DEFENSE ENVIRONMENTAL MANAGEMENT

The Committee's recommendation for Defense Environmental Management totals \$6,888,813,000, a reduction of \$64,494,000 from the budget request of \$6,953,307,000. Details of the recommended funding levels follow below for the specific Defense Environmental Management accounts.

The Defense Environmental Management program is responsible for identifying and reducing risks and managing waste at sites where the Department carried out defense-related nuclear research and production activities that resulted in radioactive, hazardous, and mixed waste contamination requiring remediation, stabilization, or some other type of cleanup action. These responsibilities include facilities and areas at 114 geographic sites. These sites are

located in 30 states and one territory and occupy an area equal to that of Rhode Island and Delaware combined—or about two million acres.

Defense Environmental Management activities are funded in two separate accounts: Defense Site Acceleration Completion and Defense Environmental Services. Defense Site Acceleration Completion, with a request of \$5.97 billion, has as its primary mission the closure of cleanup sites centered on three timeframes: 2006, 2012 and 2035. Defense Environmental Services, with a request of \$982 million, represents those activities that support closure (e.g. Federal salaries, and payments to States and communities) and non-mission environmental work (e.g. storage of spent nuclear fuel and high-level waste, and management of newly generated low level radioactive waste for other programs).

High Level Waste Legislative Proposal (Waste Incidental to Reprocessing).—In 2003, a Federal district court in Idaho held that the Department does not have the authority to reclassify certain high-level wastes as “waste incidental to reprocessing” and dispose of them as other than high-level waste. The Department proposed legislation in late fiscal year 2003 to overturn the court decision, but neither chamber of Congress passed such legislation. In its fiscal year 2005 budget request, the Department identified \$350,000,000 of work at the Hanford, Idaho, and Savannah River sites that cannot proceed in light of the Idaho court decision. While the Department is seeking to overturn the Idaho district court decision on appeal, the Department is also working to overturn the court decision through legislation affirming the Department’s authority to reclassify radioactive waste.

The Committee supports resolution of this issue through the judicial appeals process or through comprehensive legislation that would address the problem in a consistent manner nationwide. Unfortunately, the State of South Carolina and the Department have elected to pursue a strategy that would only resolve the issue for the Savannah River site, and by doing so, may very well hinder a solution for the other affected sites. The Committee does not support such an approach, and directs the Department to continue working toward a comprehensive solution. The Committee encourages the Department to take advantage of the radioactive waste rules already promulgated by the Nuclear Regulatory Commission (10 C.F.R. Part 61), rather than insisting that the Department have the authority to make its own discretionary determination as to which wastes are high-level and which are low-level. This determination should be based on quantitative, objective measurements using the NRC criteria, not based on the Department’s subjective determination or on the court’s literal interpretation of the Nuclear Waste Policy Act of 1982.

The Committee agrees with the Department that two specific projects at the Savannah River site, the Salt Waste Processing Facility (05-D-401) and the Salt Waste Process Facility Alternative (03-D-414), would be prohibited by the court decision, and no funds are provided for these projects in fiscal year 2005. The balance of the \$350,000,000 requested for waste incidental to reprocessing is provided to the Hanford (\$64,100,000), Idaho (\$97,300,000), and Savannah River (\$112,942,000) sites, and the

Committee directs the Department to spend these funds at these three sites on other cleanup activities that are not precluded by the court decision.

Cost and Schedule Baselines.—Based on the 33 percent increase last year in the estimated cost for the Waste Treatment and Immobilization Plant (project 01–D–416) at Hanford, the Committee directed the Department to transfer funds to the Corps of Engineers to conduct an independent review of the cost and schedule baseline for this project. The Corps completed this review and reached several significant conclusions: (1) the Department and its contractor have known for quite a while that the real cost of the project would be much higher than the previously-claimed cost of \$4.35 billion; (2) there is a high probability the cost will increase above the current baseline of \$5.8 billion; (3) there has been insufficient contingency through the life of the project; (4) DOE agreed to a \$1.4 billion modification to this project without preparing an independent government estimate; (5) the current contract arrangement of cost-plus-incentive-fee is not the best contract mechanism for this type of project; and (6) the greatest risk of cost and schedule overruns lies with the commissioning phase of the project.

The Committee is greatly troubled by these findings, and even more troubled by DOE management's apparent lack of concern about these findings. The history of uncontrolled cost growth on this project, and the underlying management deficiencies that led to such cost growth, does not inspire Congressional confidence in the cost and schedule estimates for other major cleanup projects, nor for the Department's claims of cost savings resulting from accelerated cleanup.

While the Hanford Waste Treatment and Immobilization Plant is too far along to terminate, and to do so would cause irreparable harm to the Department's plans to remediate the high-level radioactive waste at Hanford, the Committee intends to limit any further cost increases for this project. The language accompanying the introductory section for Title III of this report imposes new notification, reporting, and cost estimating requirements on the Department for all projects with total estimated costs (TECs) in excess of \$20 million. This requirement applies to a number of line-item projects with the Defense Site Acceleration Completion account, including the Hanford Waste Treatment and Immobilization Project. As part of this requirement, the Committee directs the Department to conduct detailed independent reviews of the existing cost and schedule baselines for those projects with TECs in excess of \$20 million. The Committee understands that the Department is already using the estimating expertise of the Corps of Engineers at a number of DOE sites, and the Committee strongly encourages the Department to have the Corps conduct these independent reviews, as was done for the Hanford Waste Treatment and Immobilization Plant, on a reimbursable basis. The External Independent Reviews, as presently conducted by the Office of Engineering and Construction Management (EIR), are too cursory to be of much value.

Statutory Changes Required for Accelerated Cleanup.—In the statement of managers accompanying the conference report for the Energy and Water Development Act, 2004, the Committee directed the Department to submit a report to Congress identifying all

changes to existing statutory law that are necessary to execute accelerated cleanup. This report was due to Congress within 60 days of enactment; five months later, the Committee is still waiting for this report. There are two possible explanations for this lengthy delay: either the Department does not know what statutory changes are required and is waiting for its contractors to tell it what to do, or the Department knows but is reluctant to inform Congress. Neither alternative explanation leads Congress to trust the Department's claims for accelerated cleanup.

State Agreement for Accelerated Performance Management Plans.—The Committee recommendation for fiscal year 2005 funding assumes, based on information provided to the Committee by the Assistant Secretary for Environmental Management at the end of May 2004, that the relevant State regulators have agreed to all of the Department's accelerated Performance Management Plans (PMPs). If that situation changes during the course of the fiscal year such that a State indicates it no longer agrees with or supports one or more accelerated PMPs, the Department is to inform the Committee immediately and submit a reprogramming request within 60 days to direct the affected funds to another site that has a valid State agreement for accelerated cleanup.

Economic development.—None of the Defense Environmental Management funds are available for economic development activities unless specifically authorized by law.

Reprogramming Authority.—The Committee continues to support the need for flexibility to meet changing funding requirements at sites which are undergoing accelerated cleanup activities. However, the cost growth at Hanford and other sites leads the Committee to reduce some of the flexibility previously provided to the Department. In fiscal year 2005, each site manager may transfer up to \$3,000,000 between Defense Site Acceleration Completion subaccounts (i.e., accelerated completions 2006, accelerated completions 2012, accelerated completions 2035, and line item construction projects) to reduce health or safety risks or to gain cost savings as long as no program or project is increased or decreased by more than \$3,000,000 once during the fiscal year. This reprogramming authority may not be used to initiate new programs or programs specifically denied, limited, or increased by Congress in the Act or report. The Committees on Appropriations in the House and Senate must be notified within thirty days of the use of this reprogramming authority.

DEFENSE SITE ACCELERATION COMPLETION

Appropriation, 2004	\$5,617,719,000
Budget Estimate, 2005	5,970,837,000
Recommended, 2005	5,930,837,000
Comparison:	
Appropriation, 2004	+313,118,000
Budget Estimate, 2005	-40,000,000

The Committee recommendation for Defense Site Acceleration Completion in fiscal year 2005 is \$5,930,837,000, a reduction of \$40,000,000 from the budget request of \$5,970,837,000, but an increase of \$313,118,000 over the current fiscal year.

Accelerated Completions, 2006.—The Committee recommendation provides \$1,264,999,000, an increase of \$13,200,000 over the budget request. This funding supports the closure by the year 2006 of the Rocky Flats, West Jefferson, Fernald, Miamisburg, and Ash-tabula sites, and the completion of significant cleanup projects at various other sites such as Melton Valley, Kansas City, and Savan-nah River. The additional \$13,200,000 is provided to cover pension shortfalls and accelerate low-level waste shipments during fiscal year 2005 from the Miamisburg Closure Project. The Committee di-rects the Department to provide Congress, not later than March 31, 2005, with a plan and estimate for remediating the OU-1 landfill at the Miamisburg site. The Committee encourages the Depart-ment to work with the State of Nevada and other affected States to resolve the impasse over disposal of 11e.(2) waste from the Fernald site. The language included in the Energy and Water De-velopment Appropriations Act, 2004, was intended to allow the De-partment to consider commercial NRC-regulated disposal options as well as use of Government-owned disposal sites.

Accelerated Completions, 2012.—The Committee recommendation provides \$2,150,641,000, the same as the budget request. This amount includes the requested funding for cleanup of the East Ten-nessee Technology Park and Oak Ridge Reservation, Hanford, Idaho, Los Alamos National Laboratory, Lawrence Livermore Na-tional Laboratory, Nevada Test Site, Pantex, and various other sites. The primary components include \$690,000,000 for the Office of River Protection at Hanford, \$524,818,000 for the Hanford site, and \$415,178,000 for the Idaho Cleanup Project.

Accelerated Completions, 2035.—The Committee recommendation provides \$1,893,339,000, the same as the budget request. This amount includes the requested funding of \$43,827,000 for construc-tion of the Glass Waste Storage Building #2 at the Savannah River Site (project 04-D-408) and the requested funding for the Waste Isolation Pilot Plant, the Idaho Cleanup Project, the Y-12 and Oak Ridge National Laboratory sites, Hanford and the Office of River Protection, Savannah River, Los Alamos National Laboratory, Ne-vada Test Site, and various other sites and facilities.

Waste Incidental to Reprocessing.—Of the \$350,000,000 requested for activities that are precluded by the court decision on waste inci-dental to reprocessing, the Committee provides \$274,342,000 and directs the Department to apply these funds to other cleanup ac-tivities that are not prohibited by the court decision. The Com-mittee recommendation provides \$64,100,000 for the Hanford site, \$97,300,000 for the Idaho site, and \$112,942,000 for the Savannah River site. The Committee directs the Department to submit a re-programming request within 30 days of enactment identifying how these funds will be used for other cleanup activities at these three sites.

Safeguards and Security.—The Committee recommendation pro-vides \$265,059,000, the same as the budget request.

Technology Development and Deployment.—The Committee rec-ommendation provides \$82,600,000, an increase of \$22,458,000 over the budget request. The additional funds are provided for the De-partment to conduct a competitive evaluation of the various ad-vanced remediation technologies available in the private sector. If

testing and evaluation with surrogate materials is not sufficient, the Department should consider using one of the many existing contaminated facilities that are scheduled for decontamination and decommissioning within the next several years at sites such as Idaho or the 300 Area of Hanford to conduct testing with real radioactive materials. Within remaining available funds, the Committee provides \$5,000,000 to continue the five-year international agreement with AEA Technology, and \$7,000,000 to continue the five-year agreement with Florida International University's Hemispheric Center for Environmental Technology.

Funding adjustments.—The Committee recommendation includes an offset of \$143,000 the same as the budget request, for the security costs associated with reimbursable work.

DEFENSE ENVIRONMENTAL SERVICES

Appropriation, 2004	\$985,296,000
Budget Estimate, 2005	982,470,000
Recommended, 2005	957,976,000
Comparison:	
Appropriation, 2004	– 27,320,000
Budget Estimate, 2005	– 24,494,000

The Defense Environmental Services account incorporates the activities that indirectly support the cleanup and closure of contaminated sites. These include activities such as the management of non-legacy spent nuclear fuel and newly-generated waste as well as community and regulatory support, the Federal contribution to the Uranium Enrichment Decontamination and Decommissioning Fund, and program direction for the Department's environmental management efforts. The Committee recommendation for Defense Environmental Services in fiscal year 2005 is \$957,976,000, a decrease of \$24,494,000 from the budget request.

Community and Regulatory Support.—The Committee recommendation is \$60,547,000, the same as the budget request.

Federal Contribution to Uranium Enrichment Decontamination and Decommissioning Fund.—The Energy Policy Act of 1992, Public Law 102–486, created the Uranium Enrichment Decontamination and Decommissioning Fund to pay for the cost of cleanup of the gaseous diffusion facilities located in Oak Ridge, Tennessee; Paducah, Kentucky; and Portsmouth, Ohio. The Committee recommendation includes the budget request of \$463,000,000 for the Federal contribution to the Uranium Enrichment Decontamination and Decommissioning Fund.

Non-Closure Environmental Activities.—The Committee recommendation is \$146,038,000, a reduction of \$41,826,000 to the budget request resulting from the transfer of safety, health and security activities to Office of Security and Safety Performance Assurance. Within available funds, the Committee directs the Department to provide \$10,000,000 for the Hazardous Waste Worker Training Program and \$8,000,000 for the Volpentest Hazardous Materials Management and Emergency Response (HAMMER) training and education center.

Spent Nuclear Fuel Management.—The Department proposed to transfer responsibility for the management and operation of the DOE national spent fuel program, the foreign research reactor

spent nuclear fuel acceptance program, and the management of chemical processing plant 666 at Idaho from the Office of Environmental Management to the Office of Civilian Radioactive Waste Management. The Secretary announced in April 2004 that the Office of Defense Nuclear Nonproliferation would henceforth manage the foreign research reactor spent fuel acceptance program. At the present time, the Committee does not agree with the proposed transfer of the remaining two programs (i.e., DOE national spent fuel program and management of chemical processing plant 666) and directs the Department to continuing managing these activities under the Office of Environmental Management. The Committee recommendation includes the requested amounts of \$8,217,000 for the DOE national spent fuel program, \$8,055,000 for management of chemical processing plant 666, and \$1,060,000 for associated program direction costs. It is the Committee’s expectation that these activities will continue to be managed at the Idaho site.

Program Direction.—The Committee recommendation for program direction is \$271,059,000, the same as the budget request.

Formerly Utilized Sites Remedial Action Program (FUSRAP).—The Committee continues to expect the Department to fulfill its responsibilities at FUSRAP sites, exclusive of the remedial actions to be performed by the Corps of Engineers.

OTHER DEFENSE ACTIVITIES

Appropriation, 2004	\$670,510,000
Budget Estimate, 2005	663,636,000
Recommended, 2005	697,059,000
Comparison:	
Appropriation, 2004	+26,549,000
Budget Estimate, 2005	+33,423,000

This account provides funding for Energy Security and Assurance; the Office of Security; Independent Oversight and Performance Assurance; Intelligence; Counterintelligence; Environment, Safety and Health (Defense); Legacy Management; National Security Programs Administrative Support; and the Office of Hearings and Appeals. Descriptions of each of these programs are provided below.

ENERGY SECURITY AND ASSURANCE

The Committee recommendation for the office of energy security and assurance is \$21,000,000, an increase of \$10,400,000 above the budget request. The Committee recommendation includes \$5,000,000 to accelerate the operation of the national SCADA testbed at the Idaho National Laboratory. The Committee provides \$5,500,000 for the GridWorks initiative, the same as the budget request and \$6,500,000 for the GridWise initiative to address grid security and reliability through the application of modern information technologies. The Committee recommendation provides an additional \$1,500,000 in GridWise for a regional demonstration project. These activities were originally proposed within the Office of Electric Transmission and Distribution budget request.

Program direction.—The Committee recommendation includes \$3,000,000 for program direction, a reduction of \$1,500,000 from the budget request.

OFFICE OF SECURITY

The Office of Security provides a domestic safeguards and security program for protection of nuclear weapons, nuclear materials, nuclear facilities, and classified and unclassified information, and security operations against sabotage, espionage, terrorist activities, or any loss or unauthorized disclosure that could endanger the national security or disrupt operations. The Committee recommendation for security and emergency operations is \$306,374,000, an increase of \$51,273,000 over the budget request. The Committee's recommendation provides additional capability to oversee the implementation of the new Design Basis Threat.

In fiscal year 2005, the Department of Energy will spend over \$1.4 billion on safeguards and security activities at Headquarters and field locations. The \$306,374,000 provided to the Office of Security is for Headquarters activities only. Funding for safeguards and security activities at Departmental facilities and laboratories in the field is included within each program budget.

OFFICE OF INTELLIGENCE

The intelligence program provides information and technical analyses on international arms proliferation, foreign nuclear programs, and other energy related matters to policy makers in the Department and other U.S. Government agencies. The focus of the Department's intelligence analysis and reporting is on emerging proliferant nations, nuclear technology transfers, foreign nuclear materials production, and proliferation implications of the breakup of the Former Soviet Union.

OFFICE OF COUNTERINTELLIGENCE

The Office of Counterintelligence seeks to develop and implement an effective counterintelligence program throughout the Department of Energy. The goal of the program is to identify, neutralize, and deter foreign government or industrial intelligence threats directed at the Department's facilities, personnel, information, and technologies.

INDEPENDENT OVERSIGHT AND PERFORMANCE ASSURANCE

The Office of Independent Oversight and Performance Assurance is the focal point for independent evaluation of safeguards, security, emergency management, and cyber security. The Committee recommendation is \$24,669,000, the same as the budget request.

ENVIRONMENT, SAFETY AND HEALTH (DEFENSE)

The Office of Environment, Safety and Health develops programs and policies to protect the workers and the public, conducts independent oversight of performance, and funds health effects studies. The Committee recommendation is \$119,519,000, the same as the budget request.

LEGACY MANAGEMENT

The Committee recommendation provides a total of \$63,525,000 for the Office of Legacy Management to manage the long-term

stewardship responsibilities at the Department of Energy clean up sites. From within available funds, the Committee provides \$1,200,000 to complete the transition of the STAR Center in Pinellas County, Florida and \$4,000,000 for the final payment, subject to the existing requirement for matching funds, to the Miamisburg Mound Community Improvement Corporation. The Committee recommendation provides \$32,395,000 in Other Defense Activities and the balance of \$31,130,000 is provided in the non-defense Energy Supply account.

DEFENSE ACTIVITIES AT IDAHO NATIONAL LABORATORY

The Committee recommendation includes \$114,347,000 to fund the defense-related (050 budget function) activities at the Idaho National Laboratory (INL) and associated Idaho cleanup sites. This amount includes \$20,886,000 for INL infrastructure, the same as the budget request, for activities at this site previously funded under the Defense Environmental Management account; \$58,103,000 for Idaho site wide safeguards and security, the same as the budget request; and \$33,858,000 for program direction to support Headquarters and Idaho Field Office personnel previously funded under Defense Environmental Management. The Committee provides an additional \$1,500,000 for the Office of Nuclear Energy to inspect and repackage, as necessary, the 77 kilograms of nuclear fuel and highly enriched uranium (HEU) at the Lynchburg Technology Center in Virginia.

DEFENSE RELATED ADMINISTRATIVE SUPPORT

The Committee recommendation includes \$92,440,000, to provide administrative support for programs funded in the atomic energy defense activities accounts. This will fund Departmental activities performed by offices such as the Secretary, Deputy Secretary and Under Secretary, the General Counsel, Chief Financial Officer, Human Resources, Congressional Affairs, and Public Affairs, which support the organizations and activities funded in the atomic energy defense activities accounts.

OFFICE OF HEARINGS AND APPEALS

The Office of Hearings and Appeals (OHA) is responsible for all of the Department's adjudicatory processes, other than those administered by the Federal Energy Regulatory Commission. The Committee recommendation is \$4,318,000, the same as the budget request.

OFFICE OF FUTURE LIABILITIES

The Committee does not support the creation of a redundant Departmental office to address the planning function for long term environmental cleanup liabilities. The Committee views the more than seven billion dollars appropriated for the Department's environmental management activities as sufficient resources to address all possible planning activities. The Committee provides no funds for the Office of Future Liabilities.

FUNDING ADJUSTMENTS

The Committee recommendation for funding adjustments includes the use of \$15,000,000 in prior year balances and an offset of \$3,003,000 for the safeguards and security charge for reimbursable work, the same as the budget request.

DEFENSE NUCLEAR WASTE DISPOSAL

Appropriation, 2004	\$387,699,000
Budget Estimate, 2005	131,000,000
Recommended, 2005	131,000,000
Comparison:	
Appropriation, 2004	– 256,699,000
Budget Estimate, 2005 .....	.....

Since passage of the Nuclear Waste Policy Act of 1982, as amended, the Nuclear Waste Fund has incurred costs for activities related to the disposal of high-level waste and spent nuclear fuel generated from the atomic energy defense activities of the Department of Energy. The Defense Nuclear Waste Disposal appropriation was established to ensure payment of the Federal government's contribution to the nuclear waste repository program. Through fiscal year 2004, a total of \$2.4 billion has been appropriated to support nuclear waste repository activities attributable to atomic energy defense activities. An estimated defense contribution of \$3.4 billion will be required from fiscal year 2005 to fiscal year 2010 to fulfill the remaining defense obligation.

The Committee recommendation is \$131,000,000, the same as the budget request. Because the Administration assumed that \$749,000,000 of spending from the Nuclear Waste Fund would be offset through enactment of reclassification legislation, the Administration's net request for Yucca Mountain is only the \$131,000,000 in Defense Nuclear Waste Disposal. Although program direction has traditionally been funded on the non-defense side of nuclear waste disposal, the Committee directs the Department to use Defense Nuclear Waste Disposal to fund this activity in fiscal year 2005.

POWER MARKETING ADMINISTRATIONS

Management of the Federal power marketing functions was transferred from the Department of Interior to the Department of Energy by the Department of Energy Organization Act (P.L. 95–91). These functions include the power marketing activities authorized under section 5 of the Flood Control Act of 1944 and all other functions of the Bonneville Power Administration, the Southeastern Power Administration, the Southwestern Power Administration, and the power marketing functions of the Bureau of Reclamation that have been transferred to the Western Area Power Administration.

All power marketing administrations except the Bonneville Power Administration are funded annually with appropriated funds. Revenues collected from power sales and transmission services are deposited in the Treasury to offset expenditures. The Committee recommendation for fiscal year 2005 does not support the Administration proposal to continue the phase-out of federal fi-

nancing of the customers' purchase power and wheeling expenses for the Southeastern Power Administration, the Southwestern Power Administration, and the Western Area Power Administration. Also, the Committee recommendation does not at this time incorporate the Administration proposal for the Power Marketing Administrations to fund directly from revenues the costs of operation and maintenance of Federal hydropower facilities at Corps of Engineers dams.

Operations of the Bonneville Power Administration are self-financed under the authority of the Federal Columbia River Transmission System Act (P.L. 93-454). Under this Act, the Bonneville Power Administration is authorized to use its revenues to finance the costs of its operations, maintenance, and capital construction, and to sell bonds to the Treasury if necessary to finance any additional capital program requirements.

Purchase power and wheeling.—The Committee finds no compelling reason to continue the phase out of purchase power and wheeling, particularly since this activity is budget neutral. The Committee recommendation for fiscal year 2005 maintains purchase power and wheeling activities at approximately the fiscal year 2004 level. The Committee will continue to establish ceilings on the use of receipts for purchase power and wheeling, and also establish the amount of offsetting collections.

BONNEVILLE POWER ADMINISTRATION

The Bonneville Power Administration (BPA) is the Department of Energy's marketing agency for electric power in the Pacific Northwest. Bonneville provides electricity to a 300,000 square mile service area in the Columbia River drainage basin. Bonneville markets the power from Federal hydropower projects in the Northwest, as well as power from non-Federal generating facilities in the region, and exchanges and markets surplus power with Canada and California.

The Committee continues to have concerns about Bonneville's financial situation. In the fiscal year 2004 Conference Report the conferees tasked the Secretary of Energy to report to the House and Senate Committees on the mission, management, and financial condition of the BPA. The Committee notes two concerns with this reporting requirement. First, the report is overdue. Second, according to the Department's Quarterly Reporting on Congressional Requirements, the Secretary of Energy assigned the drafting of the report to the Bonneville Power Administration. Although no doubt knowledgeable on the subject the Committee questions the rationale of assigning the responsibility of an oversight report to the subject at issue.

The Committee has asked the General Accounting Office (GAO) to conduct a thorough review of the Bonneville Power Administration. The Committee has received the GAO's preliminary findings that are structured to help BPA control future costs and implement a risk management process. The initial recommendations include (1) limiting the amount of power that BPA sells at its lowest cost-based rate, (2) charging incremental rates for any power sold beyond this amount that reflects BPA's cost of acquiring that power, and (3) consider using a rulemaking procedure under the Adminis-

trative Procedures Act to set these limits and the terms of incremental rates. The Committee will withhold its recommendations pending the final GAO report.

OPERATION AND MAINTENANCE, SOUTHEASTERN POWER
ADMINISTRATION

Appropriation, 2004	\$4,869,000
Budget Estimate, 2005	5,200,000
Recommended, 2005	5,200,000
Comparison:	
Appropriation, 2004	+331,000
Budget Estimate, 2005 .....	.....

The Southeastern Power Administration markets the hydroelectric power produced at 23 Corps of Engineers projects in eleven states in the Southeast. Southeastern does not own or operate any transmission facilities, so it contracts to “wheel” its power using the existing transmission facilities of area utilities.

The Committee recommendation for the Southeastern Power Administration is \$5,200,000, the same as the budget request. The total program level for Southeastern in fiscal year 2005 is \$39,200,000, with \$34,000,000 for purchase power and wheeling and \$5,200,000 for program direction. The purchase power and wheeling costs will be offset by collections of \$34,000,000 provided in this Act.

OPERATION AND MAINTENANCE, SOUTHWESTERN POWER
ADMINISTRATION

Appropriation, 2004	\$28,420,000
Budget Estimate, 2005	29,352,000
Recommended, 2005	29,352,000
Comparison:	
Appropriation, 2004	+932,000
Budget Estimate, 2005 .....	.....

The Southwestern Power Administration markets the hydroelectric power produced at 24 Corps of Engineers projects in the six-state area of Arkansas, Kansas, Louisiana, Missouri, Oklahoma and Texas. Southwestern operates and maintains 1,380 miles of transmission lines, with the supporting substations and communications sites. Southwestern gives preference in the sale of its power to publicly and cooperatively owned utilities.

The Committee recommendation for the Southwestern Power Administration is \$29,352,000, the same as the budget request. The total program level for Southwestern in fiscal year 2005 is \$31,152,000, including \$4,676,000 for operating expenses, \$1,800,000 for purchase power and wheeling, \$19,324,000 for program direction, and \$5,352,000 for construction. The offset of \$1,800,000 from collections for purchase power and wheeling yields a net appropriation of \$29,352,000. The offsetting collections for purchase power and wheeling include \$1,800,000 provided in this Act.

CONSTRUCTION, REHABILITATION, OPERATION AND MAINTENANCE,
WESTERN AREA POWER ADMINISTRATION

Appropriation, 2004	\$175,778,000
Budget Estimate, 2005	173,100,000
Recommended, 2005	173,100,000
Comparison:	
Appropriation, 2004	-2,678,000
Budget Estimate, 2005 .....	.....

The Western Area Power Administration is responsible for marketing the electric power generated by the Bureau of Reclamation, the Corps of Engineers, and the International Boundary and Water Commission. Western also operates and maintains a system of transmission lines nearly 17,000 miles long. Western provides electricity to 15 Central and Western states over a service area of 1.3 million square miles.

The Committee recommendation for the Western Area Power Administration is \$173,100,000, the same as the budget request. The total program level for Western in fiscal year 2005 is \$362,768,000, which includes \$20,191,000 for construction and rehabilitation, \$39,821,000 for system operation and maintenance, \$186,000,000 for purchase power and wheeling, and \$116,756,000 for program direction. Consistent with the budget request, no funds are provided for Utah mitigation and conservation. Offsetting collections for purchase power and wheeling total \$186,000,000; with the use of \$3,668,000 of offsetting collections from the Colorado River Dam Fund (as authorized in P.L. 98-381), this requires a net appropriation of \$173,100,000. The offsetting collections for purchase power and wheeling include \$186,000,000 provided in this Act.

The Committee has become increasingly concerned that the Western Area Power Administration has thus far failed to affiliate its Sierra-Nevada region's transmission operations with a parent control area operator, as identified in Federal Register Notice dated February 23, 2004. The Committee recognizes that the Bonneville Power Administration's tardy entry into this issue has helped create unanticipated timing issues. This failure has put many of the regional water and power users in an uncertain and unacceptable transmission cost environment. Pursuant to the established Federal Register Notice process, the Committee strongly urges Western and the Bonneville Power Administration to resolve concerns in order for the agency to join a regional control area by January 1, 2005.

Within available funds, the Committee recommendation includes \$6,000,000 for Topock-Davis-Mead Transmission Line Upgrades to provide additional transmission capacity by using aluminum matrix composite conductor technology.

FALCON AND AMISTAD OPERATING AND MAINTENANCE FUND

Appropriation, 2004	\$2,624,000
Budget Estimate, 2005	2,827,000
Recommended, 2005	2,827,000
Comparison:	
Appropriation, 2004	+203,000
Budget Estimate, 2005 .....	.....

Falcon Dam and Amistad Dam are two international water projects located on the Rio Grande River between Texas and Mexico. Power generated by hydroelectric facilities at these two dams is sold to public utilities through the Western Area Power Administration. The Foreign Relations Authorization Act for Fiscal Years 1994 and 1995 created the Falcon and Amistad Operating and Maintenance Fund to defray the costs of operation, maintenance, and emergency activities. The Fund is administered by the Western Area Power Administration for use by the Commissioner of the U.S. Section of the International Boundary and Water Commission. The Committee recommendation is \$2,827,000, the same as the budget request.

FEDERAL ENERGY REGULATORY COMMISSION

SALARIES AND EXPENSES

Appropriation, 2004	\$203,194,000
Budget Estimate, 2005	210,000,000
Recommended, 2005	210,000,000
Comparison:	
Appropriation, 2004	+6,806,000
Budget Estimate, 2005 .....	.....

REVENUES APPLIED

Appropriation, 2004	\$ - 203,194,000
Budget Estimate, 2005	- 210,000,000
Recommended, 2005	- 210,000,000
Comparison:	
Appropriation, 2004	- 6,806,000
Budget Estimate, 2005 .....	.....

The Committee recommendation for the Federal Energy Regulatory Commission (FERC) is \$210,000,000, the same as the budget request. Revenues for FERC are established at a rate equal to the budget authority, resulting in a net appropriation of \$0.

COMMITTEE RECOMMENDATION

The Committee's detailed funding recommendations for programs in Title III are contained in the following table.

DEPARTMENT OF ENERGY
(AMOUNTS IN THOUSANDS)

	FY 2004 Enacted	FY 2005 Request	House Recommended
ENERGY SUPPLY			
RENEWABLE ENERGY RESOURCES			
Renewable energy technologies			
Biomass and biorefinery systems R&D.....	74,558	72,596	72,596
Geothermal technology.....	25,847	25,800	25,800
Hydrogen technology.....	77,540	95,325	64,285
Hydropower.....	4,971	6,000	5,000
Solar energy.....	84,499	80,333	82,733
Wind energy.....	41,355	41,600	41,600
Intergovernmental activities.....	14,912	16,000	17,000
Total, Renewable energy technologies.....	323,682	337,654	309,014
Renewable support and implementation			
Departmental energy management program.....	1,988	1,967	1,967
Renewable program support.....	3,976	---	---
Total, Renewable support and implementation.....	5,964	1,967	1,967
National climate change technology initiative.....	---	3,000	---
Facilities and infrastructure			
National renewable energy laboratory.....	9,146	4,800	4,800
Construction			
02-E-001 Science and technology facility, NREL Golden, CO.....	3,976	6,680	6,680
Total, Facilities and infrastructure.....	13,122	11,480	11,480
Program direction.....	12,526	20,711	20,711
Subtotal, Renewable Energy Resources.....	355,294	374,812	343,172
Use of prior year balances.....	-12,923	---	---
TOTAL, RENEWABLE ENERGY RESOURCES.....	342,371	374,812	343,172
ELECTRICITY TRANSMISSION AND DISTRIBUTION			
Research and development.....	70,389	---	---
High temperature superconductivity R&D.....	---	45,000	45,000
Transmission reliability R&D.....	---	10,720	10,720
Electricity distribution transformation R&D.....	---	5,459	5,459
Energy storage R&D.....	---	4,000	4,000
Gridwise.....	---	5,000	---
Gridworks.....	---	5,500	---
Total, Research and development.....	70,389	75,679	65,179
Electricity restructuring.....	7,017	5,000	5,000
Program direction.....	3,739	10,201	4,400
Construction			
04-E-001 Project engineering and design (PED), energy reliability and efficiency laboratory.....	746	---	775
TOTAL, ELECTRICITY TRANSMISSION AND DISTRIBUTION..	81,891	90,880	75,354
NUCLEAR ENERGY			
University reactor fuel assistance and support.....	23,361	21,000	24,000

DEPARTMENT OF ENERGY
(AMOUNTS IN THOUSANDS)

	FY 2004 Enacted	FY 2005 Request	House Recommended
Research and development			
Nuclear energy plant optimization.....	2,982	---	---
Nuclear energy research initiative.....	10,935	---	---
Nuclear power 2010.....	43,740	10,246	5,000
Generation IV nuclear energy systems initiative.....	---	30,546	40,546
Nuclear hydrogen initiative.....	6,462	9,000	9,000
Advanced fuel cycle initiative.....	67,599	46,254	68,000
Total, Research and development.....	131,718	96,046	122,546
Infrastructure			
Radiological facilities management			
Space and defense infrastructure.....	36,016	33,800	33,800
Medical isotopes infrastructure.....	28,257	21,194	21,194
Isotope support and production.....	---	---	---
Construction			
05-E-203 Facility modifications for U-233 disposition, Oak Ridge.....	---	13,616	13,616
Subtotal, Medical isotopes infrastructure.....	28,257	34,810	34,810
Enrichment facility and uranium management.....	---	500	500
Subtotal, Radiological facilities management.....	64,273	69,110	69,110
Idaho facilities management			
ANL-West operations.....	42,364	30,781	30,781
INL infrastructure.....	31,419	75,746	90,746
Construction			
99-E-200 Test reactor area electrical utility upgrade, Idaho National Engineering Lab, ID....	1,829	1,523	1,523
95-E-201 Test reactor area fire and life safety improvements (INEL).....	497	---	---
Subtotal, Construction.....	2,326	1,523	1,523
Subtotal, INL infrastructure.....	33,745	77,269	92,269
Subtotal, Idaho facilities management.....	76,109	108,050	123,050
Idaho sitewide safeguards and security.....	56,320	58,103	58,103
Total, Infrastructure.....	196,702	235,263	250,263
Spent nuclear fuel management.....	---	---	6,723
Program direction.....	58,851	60,285	60,285
Subtotal, Nuclear Energy.....	410,632	412,594	463,817
Funding from other defense activities.....	-111,643	-112,847	-114,347
Funding from Naval Reactors.....	---	---	-10,000
TOTAL, NUCLEAR ENERGY.....	298,989	299,747	339,470
CIVILIAN RADIOACTIVE WASTE MANAGEMENT			
Spent nuclear fuel management.....	---	5,223	---

DEPARTMENT OF ENERGY
(AMOUNTS IN THOUSANDS)

	FY 2004 Enacted	FY 2005 Request	House Recommended

ENVIRONMENT, SAFETY AND HEALTH			
Office of Environment, Safety and Health (non-defense)	6,959	10,000	8,000
Program direction.....	15,906	20,474	20,000
TOTAL, ENVIRONMENT, SAFETY AND HEALTH.....	22,865	30,474	28,000
=====			
OFFICE OF FUTURE LIABILITIES			
Future liabilities.....	---	3,000	---
OFFICE OF LEGACY MANAGEMENT			
Legacy management.....	---	31,130	31,130
Subtotal, Energy supply.....	746,116	835,266	817,126
=====			
General reduction.....	-9,941	---	---
Less security charge from reimbursable work.....	-2,985	---	---
Miscellaneous appropriations (P.L. 108-199).....	4,971	---	---
=====			
TOTAL, ENERGY SUPPLY.....	738,161	835,266	817,126
=====			
NON-DEFENSE SITE ACCELERATION COMPLETION			
Accelerated completions, 2006.....	48,390	45,435	45,435
Accelerated completions, 2012.....	119,043	98,191	98,191
Accelerated completions, 2035.....	4,919	8,224	8,224
Subtotal, Non-defense Site Acceleration Completion	172,352	151,850	151,850
=====			
Use of prior year balances.....	-9,941	---	---
=====			
TOTAL, NON-DEFENSE SITE ACCELERATION COMPLETION...	162,411	151,850	151,850
=====			
URANIUM ENRICHMENT DECONTAMINATION AND DECOMMISSIONING FUND			
Decontamination and decommissioning.....	363,328	399,586	399,586
Uranium/thorium reimbursement.....	50,699	100,614	100,614
=====			
TOTAL, URANIUM ENRICHMENT D&D FUND.....	414,027	500,200	500,200
=====			
NON-DEFENSE ENVIRONMENTAL SERVICES			
Community and regulatory support.....	1,028	90	90
Environmental cleanup projects.....	43,583	46,083	46,083
Office of Legacy Management (non-defense).....	28,180	---	---
Non-closure environmental activities.....	176,398	152,523	152,523
Construction			
02-U-101 Depleted uranium hexafluoride conversion project, Paducah, KY and Portsmouth, OH.....	98,217	92,600	92,600
Total, Non-closure environmental activities.....	274,615	245,123	245,123
=====			
Subtotal, Non-defense Environmental Services.....	347,406	291,296	291,296
=====			

DEPARTMENT OF ENERGY
(AMOUNTS IN THOUSANDS)

	FY 2004 Enacted	FY 2005 Request	House Recommended
Use of prior year balances.....	-9,941	---	---
=====			
TOTAL, NON-DEFENSE ENVIRONMENTAL SERVICES.....	337,465	291,296	291,296
=====			
SCIENCE			
High energy physics			
Proton accelerator-based physics.....	397,137	412,092	417,092
Electron accelerator-based physics.....	158,545	150,890	161,890
Non-accelerator physics.....	42,746	42,936	42,936
Theoretical physics.....	42,007	49,830	49,630
Advanced technology R&D.....	80,763	81,081	81,081
Subtotal.....	721,198	736,629	752,629
Construction			
98-G-304 Neutrinos at the main injector, Fermilab.....	12,426	751	751
Total, High energy physics.....	733,624	737,380	753,380
Nuclear physics.....	389,618	401,040	415,040
Biological and environmental research.....	588,507	496,590	571,590
Construction			
05-SC-004 Project engineering and design (PED), facility for the production and characterization of proteins and molecular tags.....	---	5,000	---
Basic energy sciences			
Research			
Materials sciences and engineering research.....	572,314	603,228	612,228
Chemical sciences, geosciences and energy biosciences.....	219,611	228,422	232,422
Subtotal, Research.....	791,925	831,650	844,650
Construction			
05-R-320 LINAC coherent light source (LCLS).....	---	30,000	30,000
05-R-321 Center for functional nanomaterials (BNL)	---	18,465	18,465
04-R-313 The molecular foundry (LBNL).....	34,794	32,085	32,085
03-SC-002 Project engineering & design (PED) SLAC.	7,456	20,075	20,075
03-R-312 Center for nanophase materials sciences, ORNL.....	19,882	17,811	17,811
03-R-313 Center for Integrated Nanotechnology.....	29,674	30,897	30,897
02-SC-002 Project engineering and design (VL).....	2,982	2,012	2,012
99-E-334 Spallation neutron source (ORNL).....	123,865	80,535	80,535
Subtotal, Construction.....	218,653	231,880	231,880
Total, Basic energy sciences.....	1,010,578	1,063,530	1,076,530
Advanced scientific computing research.....	202,289	204,340	234,340
Science laboratories infrastructure			
Laboratories facilities support Infrastructure support.....	1,511	1,520	1,766

DEPARTMENT OF ENERGY
(AMOUNTS IN THOUSANDS)

	FY 2004 Enacted	FY 2005 Request	House Recommended

Construction			
04-SC-001 Project engineering and design (PED), various locations.....	1,988	---	---
MEL-001 Multiprogram energy laboratory infrastructure projects, various locations.....	29,759	16,391	24,391
Subtotal, Construction.....	31,747	16,391	24,391

Subtotal, Laboratories facilities support.....	33,258	17,911	26,157
Oak Ridge landlord.....	5,049	5,079	5,079
Excess facilities disposal.....	6,019	6,100	6,100
Safety-related corrective actions.....	9,941	---	5,000
Total, Science laboratories infrastructure.....	54,267	29,090	42,336
Fusion energy sciences.....	262,552	264,110	276,110
Safeguards and security.....	51,581	73,315	73,315
Science workforce development.....	6,432	7,660	7,660
Science program direction			
Field offices.....	79,629	89,341	89,341
Headquarters.....	57,874	65,927	65,927
Technical information management program.....	7,668	---	---
Energy research analyses.....	1,014	---	---
Total, Science program direction.....	146,185	155,268	155,268

Subtotal, Science.....	3,445,633	3,437,323	3,605,569
=====			
General reduction/use of prior year balances.....	-9,941	---	---
Less security charge for reimbursable work.....	-4,357	-5,605	-5,605
Miscellaneous appropriations (P.L. 108-199).....	50,948	---	---
=====			
TOTAL, SCIENCE.....	3,482,283	3,431,718	3,599,964
=====			
NUCLEAR WASTE DISPOSAL			
Repository program.....	109,182	661,510	---
Program direction.....	79,697	87,490	---
=====			
TOTAL, NUCLEAR WASTE DISPOSAL.....	188,879	749,000	---
=====			
DEPARTMENTAL ADMINISTRATION			
Administrative operations			
Salaries and expenses			
Office of the Secretary.....	4,226	5,441	4,649
Board of contract appeals.....	649	653	653
Chief information officer.....	34,794	44,856	38,273
Congressional and intergovernmental affairs.....	4,423	4,956	4,865
Economic impact and diversity.....	4,673	5,400	5,140
General counsel.....	19,882	23,349	21,870
Office of Management, Budget and Evaluation.....	103,595	106,055	107,805
Policy and international affairs.....	13,740	17,977	15,114
Public affairs.....	3,831	4,649	2,464
Subtotal, Salaries and expenses.....	189,813	213,336	200,833

DEPARTMENT OF ENERGY
(AMOUNTS IN THOUSANDS)

	FY 2004 Enacted	FY 2005 Request	House Recommended

Program support			
Minority economic impact.....	1,185	830	830
Policy analysis and system studies.....	395	395	395
Environmental policy studies.....	566	567	567
Cybersecurity and secure communications.....	26,276	24,932	24,932
Corporate management information program.....	23,858	37,632	32,138
Subtotal, Program support.....	52,280	64,356	58,862
Competitive sourcing initiative (A-76).....	---	5,000	5,000
Total, Administrative operations.....	242,093	282,692	264,695
Cost of work for others.....	69,271	71,621	71,621
Subtotal, Departmental Administration.....	311,364	354,313	336,316
	=====	=====	=====
Use of prior year balances and other adjustments.....	-9,941	---	---
Funding from other defense activities.....	-86,168	-92,440	-92,440
Total, Departmental administration (gross).....	215,255	261,873	243,876
	=====	=====	=====
Miscellaneous revenues.....	-123,000	-122,000	-122,000
	=====	=====	=====
TOTAL, DEPARTMENTAL ADMINISTRATION (net).....	92,255	139,873	121,876
	=====	=====	=====
OFFICE OF INSPECTOR GENERAL			
Office of Inspector General.....	39,229	41,508	41,508
	=====	=====	=====
TOTAL, OFFICE OF INSPECTOR GENERAL.....	39,229	41,508	41,508
	=====	=====	=====
ATOMIC ENERGY DEFENSE ACTIVITIES			
NATIONAL NUCLEAR SECURITY ADMINISTRATION			
WEAPONS ACTIVITIES			
Directed stockpile work			
Stockpile research and development.....	410,215	---	---
Stockpile maintenance.....	407,328	---	---
Stockpile evaluation.....	200,694	---	---
Dismantlement/disposal.....	37,499	---	---
Production support.....	269,513	---	---
Field engineering, training and manuals.....	7,128	---	---
Life extension program			
B61.....	---	117,927	117,927
W76.....	---	213,111	213,111
W80.....	---	146,400	106,400
Subtotal, Life extension program.....	---	477,438	437,438
Stockpile systems			
B61.....	---	91,256	91,256
W62.....	---	18,401	18,401
W76.....	---	137,527	137,527
W78.....	---	44,313	44,313
W80.....	---	49,507	39,507
B83.....	---	44,995	44,995
W84.....	---	6,119	6,119
W87.....	---	94,884	64,884

DEPARTMENT OF ENERGY
(AMOUNTS IN THOUSANDS)

	FY 2004 Enacted	FY 2005 Request	House Recommended
W88.....	---	49,093	49,093
Subtotal, Stockpile systems.....	---	536,095	496,095
Retired warheads stockpile systems.....	---	65,258	130,258
Stockpile services			
Research and development certification and safety.....	---	157,986	147,986
Management, technology, and production.....	---	133,101	113,101
Advanced concepts.....	---	9,000	---
Robust nuclear earth penetrator.....	---	27,557	---
Subtotal, Stockpile services.....	---	327,644	261,087
Total, Directed stockpile work.....	1,332,377	1,406,435	1,324,878
Campaigns			
Science campaigns			
Primary assessment technologies.....	57,508	81,473	66,473
Dynamic materials properties.....	81,766	91,521	81,521
Advanced radiography.....	55,655	62,371	48,371
Secondary assessment technologies.....	54,142	65,597	60,597
Subtotal, Science campaigns.....	249,071	300,962	256,962
Engineering campaigns			
Enhanced surety.....	32,779	38,121	33,121
Weapons system engineering assessment technology..	27,077	27,270	27,270
Nuclear survivability.....	22,841	24,460	9,460
Enhanced surveillance.....	91,239	99,879	99,879
Microsystem and engineering science applications (MESA), other project costs.....	4,473	4,600	4,600
Construction			
01-D-108 Microsystem and engineering science applications (MESA), SNL, Albuquerque, NM.....	86,487	48,654	48,654
Subtotal, MESA.....	90,960	53,254	53,254
Subtotal, Engineering campaigns.....	264,896	242,984	222,984
Inertial confinement fusion ignition and high yield campaign.....	365,102	---	---
Ignition.....	---	76,437	76,437
Support of stockpile program.....	---	38,987	38,987
NIF diagnostics, cryogenics and experiment support	---	44,023	44,023
Pulsed power inertial confinement fusion.....	---	10,080	10,080
University grants/other support.....	---	7,776	7,776
Facility operations and target production.....	---	63,056	63,056
Inertial fusion technology.....	---	---	25,000
NIF demonstration program.....	---	113,700	113,700
High-energy petawatt laser development.....	---	7,975	35,975
Subtotal.....	365,102	362,034	415,034
Construction			
96-D-111 National ignition facility, LLNL.....	149,115	130,000	130,000
Subtotal, Inertial confinement fusion.....	514,217	492,034	545,034
Advanced simulation and computing.....	684,265	738,032	663,032
Construction			
01-D-101 Distributed information systems laboratory, SNL, Livermore, CA.....	12,227	---	---

DEPARTMENT OF ENERGY
(AMOUNTS IN THOUSANDS)

	FY 2004 Enacted	FY 2005 Request	House Recommended
00-D-103, Terascale simulation facility, LLNL, Livermore, CA.....	24,853	3,228	3,228
Subtotal, Construction.....	37,080	3,228	3,228
Subtotal, Advanced simulation and computing.....	721,345	741,260	666,260
Pit manufacturing and certification			
W88 pit manufacturing.....	---	132,005	142,005
W88 pit certification.....	---	101,470	101,470
Pit manufacturing capability.....	---	20,992	---
Modern pit facility.....	---	29,800	---
Pit campaign support activities at NTS.....	296,767	52,206	52,206
Subtotal, Pit manufacturing and certification...	296,767	336,473	295,681
Readiness campaigns			
Stockpile readiness.....	54,833	45,812	45,812
High explosives weapons operations.....	23,509	34,220	34,220
Non-nuclear readiness.....	33,200	35,457	30,457
Advanced design and production technologies.....	77,457	84,788	74,788
Tritium readiness.....	59,540	58,850	58,850
Construction			
98-D-125 Tritium extraction facility, SR.....	74,558	21,000	21,000
Subtotal, Tritium readiness.....	134,098	79,850	79,850
Subtotal, Readiness campaigns.....	323,097	280,127	265,127
Total, Campaigns.....	2,369,393	2,393,840	2,252,048
Readiness in technical base and facilities			
Operations of facilities.....	1,021,709	1,017,557	1,151,557
Program readiness.....	130,320	106,204	101,204
Special projects.....	51,370	20,534	15,534
Material recycle and recovery.....	75,739	86,965	86,965
Containers.....	15,912	17,910	17,910
Storage.....	11,298	18,982	18,982
Nuclear weapons incident response.....	89,165	---	---
Subtotal, Readiness in technical base and fac.....	1,395,513	1,268,152	1,392,152
Construction			
05-D-140 Project engineering and design (PED), various locations.....	---	11,600	21,600
05-D-401 Building 12-64 production bays upgrades, Pantex plant, Amarillo, TX.....	---	25,100	25,100
05-D-402 Beryllium capability (BEC) project, Y-12 National security complex, Oak Ridge, TN.....	---	3,627	3,627
04-D-101 Test capabilities revitalization, Sandia National Laboratories, Albuquerque, NM.....	36,235	---	---
04-D-102 Exterior communications infrastructure modernization, Sandia National Laboratories.....	19,882	---	---
04-D-103 Project engineering and design (PED), various locations.....	3,543	1,500	1,500

DEPARTMENT OF ENERGY
(AMOUNTS IN THOUSANDS)

	FY 2004 Enacted	FY 2005 Request	House Recommended
04-D-104 National security sciences building, Los Alamos National Laboratory, Los Alamos, NM.....	49,705	---	---
04-D-125 Chemistry and metallurgy facility replacement project, Los Alamos National Laboratory, Los Alamos, NM.....	9,941	24,000	10,000
04-D-126 Building 12-44 production cells upgrade, Pantex plant, Amarillo, TX.....	8,728	2,600	2,600
04-D-127 Cleaning and loading modifications, Savannah River site, Aiken, SC.....	2,734	---	---
04-D-128 TA-18 mission relocation project, Los Alamos Laboratory, Los Alamos, NM.....	8,768	---	8,000
03-D-102, National Security Sciences building, Los Alamos National Laboratory, Los Alamos, NM.....	---	37,348	37,348
03-D-103 Project engineering and design (PED), various locations.....	10,508	15,275	15,275
03-D-121 Gas transfer capacity expansion, Kansas City Plant, Kansas City, MO.....	11,233	---	---
03-D-123 Special nuclear materials requalification, Pantex plant, Amarillo, TX.....	7,583	4,602	4,602
02-D-103 Project engineering and design (PED), various locations.....	10,885	5,250	5,250
02-D-105 Engineering technology complex upgrade, LLNL, CA.....	9,718	5,400	5,400
02-D-107 Electrical power systems safety communications and bus upgrades, NV.....	2,870	---	---
01-D-103 Project engineering and design (PED), various locations.....	1,591	6,000	6,000
01-D-124 HEU materials facility, Y-12 plant, Oak Ridge, TN.....	44,735	64,000	114,000
01-D-126 Weapons Evaluation Test Laboratory, Pantex Plant, Amarillo, TX.....	2,821	---	---
99-D-104 Protection of real property (roof reconstruction-Phase II), LLNL, Livermore, CA.....	3,479	---	---
99-D-127 Stockpile management restructuring initiative, Kansas City plant, Kansas City, MO....	12,401	---	---
96-D-102 Sstockpile stewardship facilities revitalization (Phase VI), various locations.....	1,543	---	---
Subtotal, Construction.....	258,903	206,302	260,302
Total, Readiness in technical base and facilities.	1,654,416	1,474,454	1,652,454
Facilities and infrastructure recapitalization program Construction	235,009	291,543	248,863
05-D-160 Facilities and infrastructure recapitalization program project engineering design (PED), various locations.....	---	8,700	8,700

DEPARTMENT OF ENERGY
(AMOUNTS IN THOUSANDS)

	FY 2004 Enacted	FY 2005 Request	House Recommended
05-D-601 Compressed air upgrades project (CAUP), Y-12, National security complex, Oak Ridge, TN....	---	4,400	4,400
05-D-602 Power grid infrastructure upgrade (PGIU), Alamos National Laboratory, Los Alamos, NM.....	---	10,000	10,000
05-D-603 New master substation (NMSU), SNL.....	---	600	600
04-D-203 Facilities and infrastructure recapitalization program (FIRP), project engineering design (PED), various locations.....	3,697	981	981
Subtotal, Construction.....	3,697	24,681	24,681

Total, Facilities and infrastructure recapitalization program.....	238,706	316,224	273,544
Secure transportation asset			
Operations and equipment.....	122,876	143,873	143,873
Program direction.....	58,448	57,427	57,427
Subtotal, Secure transportation asset.....	181,324	201,300	201,300
Use of prior year balances.....	-19,882	---	---
Total, Secure transportation asset.....	161,442	201,300	201,300
Nuclear weapons incident response.....	---	99,209	99,209
Safeguards and security.....	578,633	669,991	703,991
Construction			
05-D-170 Project engineering and design (PED), various locations.....	---	17,000	17,000
05-D-701 Security perimeter project, Los Alamos, National Laboratory, Los Alamos, NM.....	---	20,000	20,000
99-D-132 SMRI nuclear material safeguards and security upgrade project (LANL), Los Alamos, NM...	3,661	---	---
Total, Safeguards and security.....	582,294	706,991	740,991
Subtotal, Weapons activities.....	6,338,628	6,598,453	6,544,424
Use of prior year balances.....	-74,312	---	---
Less security charge for reimbursable work.....	-28,814	-30,000	-30,000
TOTAL, WEAPONS ACTIVITIES.....	6,235,502	6,568,453	6,514,424
=====			
DEFENSE NUCLEAR NONPROLIFERATION			
Nonproliferation and verification, R&D.....	231,996	220,000	241,500
Nonproliferation and international security.....	110,081	124,000	124,000
Nonproliferation programs with Russia			
International nuclear materials protection and cooperation.....	258,466	238,000	415,250
Russian transition initiative.....	39,764	41,000	41,000
HEU transparency implementation.....	17,894	20,950	20,950
International nuclear safety.....	3,976	---	---
Elimination of weapons-grade plutonium production program.....	49,705	50,097	15,097

DEPARTMENT OF ENERGY
(AMOUNTS IN THOUSANDS)

	FY 2004 Enacted	FY 2005 Request	House Recommended

Fissile materials disposition			
U.S. surplus materials disposition.....	192,662	184,700	184,700
Russian surplus materials disposition.....	46,822	64,000	31,500
Construction			
99-D-141 Pit disassembly and conversion facility, Savannah River, SC.....	13,520	32,300	32,300
99-D-143 Mixed oxide fuel fabrication facility, Savannah River, SC.....	399,628	368,000	234,750
Subtotal, Construction.....	413,148	400,300	267,050
Subtotal, Fissile materials disposition.....	652,632	649,000	483,250
Total, Nonproliferation programs with Russia.....	1,022,437	999,047	975,547
Offsite source recovery project.....	---	5,600	7,600
Subtotal, Defense Nuclear Nonproliferation.....	1,364,514	1,348,647	1,348,647
Use of prior year balances.....	-44,735	---	---
TOTAL, DEFENSE NUCLEAR NONPROLIFERATION.....	1,319,779	1,348,647	1,348,647
=====			
NAVAL REACTORS			
Naval reactors development.....	718,834	761,211	771,211
Construction			
05-N-900 Materials development facility building, Schenectady, NY.....	---	6,200	6,200
03-D-201 Cleanroom technology facility, Bettis atomic power lab, West Mifflin, PA.....	298	---	---
90-N-102 Expended core facility dry cell project, Naval Reactors Facility, ID.....	18,192	989	989
Subtotal, Construction.....	18,490	7,189	7,189
Total, Naval reactors development.....	737,324	768,400	778,400
Program direction.....	26,542	29,500	29,500
Subtotal, Naval Reactors.....	763,866	797,900	807,900
Use of prior year balances.....	-1,988	---	---
TOTAL, NAVAL REACTORS.....	761,878	797,900	807,900
=====			

DEPARTMENT OF ENERGY
(AMOUNTS IN THOUSANDS)

	FY 2004 Enacted	FY 2005 Request	House Recommended

OFFICE OF THE ADMINISTRATOR			
Office of the Administrator.....	280,316	333,700	356,200
Defense nuclear nonproliferation.....	57,658	---	---
	=====	=====	=====
TOTAL, OFFICE OF THE ADMINISTRATOR.....	337,974	333,700	356,200
	=====	=====	=====
TOTAL, NATIONAL NUCLEAR SECURITY ADMINISTRATION...	8,655,133	9,048,700	9,027,171
	=====	=====	=====
DEFENSE SITE ACCELERATION COMPLETION			
Accelerated completions, 2006.....	1,241,087	1,251,799	1,264,999
Accelerated completions, 2012.....	1,511,521	1,437,001	1,437,001
Construction			
04-D-414 Project engineering and design (PED), various locations.....	23,361	3,000	3,000
04-D-423 Container surveillance capability in 235-F, Savannah River.....	1,127	20,640	20,640
02-D-402 Intec cathodic protection system expansion project, INEEL, Idaho Falls, ID.....	1,119	---	---
01-D-416 Waste treatment and immobilization plant, Richland, WA.....	685,929	690,000	690,000
Subtotal, Construction.....	711,536	713,640	713,640
	-----	-----	-----
Total, Accelerated completions, 2012.....	2,223,057	2,150,641	2,150,641
Accelerated completions, 2035.....	1,832,944	1,849,512	1,849,512
Construction			
04-D-408 Glass waste storage building #2, Savannah River.....	20,139	43,827	43,827
03-D-403 Immobilized high-level waste interim storage facility, Richland, WA.....	13,872	---	---
03-D-414 Project engineering and design (PED), various locations.....	51,196	---	---
Subtotal, Construction.....	85,207	43,827	43,827
	-----	-----	-----
Total, Accelerated completions, 2035.....	1,918,151	1,893,339	1,893,339
Safeguards and security.....	301,815	265,059	265,059
Alternative high level waste actions	---	---	249,442
Construction			
04-D-414 04-02 PED: Sodium bearing waste treatment, Idaho.....	---	---	24,900
Total, Alternative high level waste.....	---	---	274,342
	-----	-----	-----
High level waste (Waste Incidental to Reprocessing) (legislative proposal).....	---	249,442	---
Construction			
05-D-405 Salt waste processing facility, Savannah River.....	---	52,000	---

DEPARTMENT OF ENERGY
(AMOUNTS IN THOUSANDS)

	FY 2004 Enacted	FY 2005 Request	House Recommended
04-D-414 04-02 PED: Sodium bearing waste treatment, Idaho.....	---	24,900	---
03-D-414 PED: Salt waste processing facility alt Savannah River, SC.....	---	23,658	---
Total, High level waste (WIR) (legis. proposal)....	---	350,000	---
Technology development and deployment.....	66,525	60,142	82,600
Subtotal, Defense Site Acceleration Completion....	5,684,110	5,862,280	5,848,380
Less security charge for reimbursable work.....	-1,336	-143	-143
Use of prior year balances.....	-131,580	---	---
TOTAL, DEFENSE SITE ACCELERATION COMPLETION.....	5,617,719	5,970,837	5,930,837
DEFENSE ENVIRONMENTAL SERVICES			
Community and regulatory support.....	61,207	60,547	60,547
Federal contribution to the uranium enrichment fund...	449,333	463,000	463,000
Non-closure environmental activities.....	209,188	187,864	146,038
Spent nuclear fuel management.....	---	---	17,332
Program direction.....	285,450	271,059	271,059
Use of prior year balances.....	-19,882	---	---
TOTAL, DEFENSE ENVIRONMENTAL SERVICES.....	985,296	982,470	957,976
Defense Environmental Management Privatization (rescission).....	-15,329	---	---
TOTAL, DEFENSE ENVIRONMENTAL MANAGEMENT.....	6,587,686	6,953,307	6,888,813
OTHER DEFENSE ACTIVITIES			
Other national security programs			
Energy security and assurance			
Energy security.....	19,882	6,100	18,000
Program direction.....	2,457	4,500	3,000
Subtotal, Energy security and assurance.....	22,339	10,600	21,000
Office of Security			
Nuclear safeguards and security.....	104,095	143,197	198,144
Security investigations.....	54,232	53,554	49,880
Program direction.....	52,180	58,350	58,350
Subtotal, Office of Security.....	210,507	255,101	306,374
Intelligence.....	39,588	---	---
Counterintelligence.....	45,684	---	---
Independent oversight and performance assurance.....	22,442	24,669	24,669
Civilian radioactive waste management			
Spent nuclear fuel management.....	---	21,190	---
Program direction.....	---	1,060	---
Subtotal, Civilian radioactive waste mgmt.....	---	22,250	---

DEPARTMENT OF ENERGY
(AMOUNTS IN THOUSANDS)

	FY 2004 Enacted	FY 2005 Request	House Recommended
Environment, safety and health (Defense).....	92,800	99,105	99,105
Program direction - EH.....	18,798	20,414	20,414
Subtotal, Environment, safety & health (Defense)	111,598	119,519	119,519
Worker and community transition.....	10,658	---	---
Program direction - WT.....	2,683	---	---
Subtotal, Worker and community transition.....	13,321	---	---
Office of Legacy Management			
Legacy management.....	19,065	19,194	19,194
Worker and community transition.....	---	2,500	---
Program direction.....	---	13,201	13,201
Subtotal, Office of Legacy Management.....	19,065	34,895	32,395
Defense related administrative support.....	86,168	92,440	92,440
Defense activities at INEEL.....	111,643	112,847	114,347
Office of hearings and appeals.....	3,775	4,318	4,318
Office of Future Liabilities.....	---	5,000	---
Subtotal, Other Defense Activities.....	686,130	681,639	715,062
Use of prior year balances.....	-14,912	-15,000	-15,000
Less security charge for reimbursable work.....	-708	-3,003	-3,003
TOTAL, OTHER DEFENSE ACTIVITIES.....	670,510	663,636	697,059
DEFENSE NUCLEAR WASTE DISPOSAL			
Defense nuclear waste disposal.....	387,699	131,000	131,000
TOTAL, ATOMIC ENERGY DEFENSE ACTIVITIES.....	16,301,028	16,796,643	16,744,043
POWER MARKETING ADMINISTRATIONS			
SOUTHEASTERN POWER ADMINISTRATION			
Operation and maintenance			
Purchase power and wheeling.....	33,799	---	34,000
Program direction.....	5,070	5,200	5,200
Subtotal, Operation and maintenance.....	38,869	5,200	39,200
Offsetting collections.....	-19,000	---	-34,000
Offsetting collections (P.L. 106-377).....	-15,000	---	---
TOTAL, SOUTHEASTERN POWER ADMINISTRATION.....	4,869	5,200	5,200
SOUTHWESTERN POWER ADMINISTRATION			
Operation and maintenance			
Operating expenses.....	4,635	4,676	4,676
Purchase power and wheeling.....	1,789	---	1,800
Program direction.....	19,092	19,324	19,324
Construction.....	4,704	5,352	5,352
Subtotal, Operation and maintenance.....	30,220	29,352	31,152

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(AMOUNTS IN THOUSANDS)

	FY 2004 Enacted	FY 2005 Request	House Recommended

Offsetting collections.....	-1,512	---	-1,800
Offsetting collections (P.L. 106-377).....	-288	---	---
TOTAL, SOUTHWESTERN POWER ADMINISTRATION.....	28,420	29,352	29,352
=====			
WESTERN AREA POWER ADMINISTRATION			
Operation and maintenance			
Construction and rehabilitation.....	12,874	20,191	20,191
Operation and maintenance.....	35,990	39,821	39,821
Purchase power and wheeling.....	185,002	---	186,000
Program direction.....	125,841	116,756	116,756
Utah mitigation and conservation.....	6,163	---	---
Subtotal, Operation and maintenance.....	365,870	176,768	362,768
Offsetting collections.....	-186,100	---	-186,000
Offsetting collections (P.L. 98-381).....	-3,992	-3,668	-3,668
Offsetting collections (P.L. 106-377).....	-20,000	---	---
TOTAL, WESTERN AREA POWER ADMINISTRATION.....	175,778	173,100	173,100
=====			
FALCON AND AMISTAD OPERATING AND MAINTENANCE FUND			
Operation and maintenance.....	2,624	2,827	2,827
=====			
TOTAL, POWER MARKETING ADMINISTRATIONS.....	211,691	210,479	210,479
=====			
FEDERAL ENERGY REGULATORY COMMISSION			
Federal energy regulatory commission.....	203,194	210,000	210,000
FERC revenues.....	-203,194	-210,000	-210,000
=====			
GRAND TOTAL, DEPARTMENT OF ENERGY.....	21,967,429	23,147,833	22,478,342
=====			

GENERAL PROVISIONS

DEPARTMENT OF ENERGY

Contract Competition.—Section 301 modifies language carried in the conference report for the Energy and Water Development Act, 2004 (P.L. 108–137), requiring the competition of the management and operating contracts for Ames, Argonne, Lawrence Berkeley, Lawrence Livermore, and Los Alamos national laboratories. The Committee appreciates the efforts of the Secretary and his staff to comply with the provisions of the existing Section 301 in P.L. 108–137 and to schedule competitions for these five laboratory contracts. The Committee continues the statutory requirement to compete these five contracts to be sure the Department follows through on the commitments made by the present Secretary.

The Committee understands that the Secretary has decided to compete the Los Alamos contract initially, with the Lawrence Livermore contract to be competed one-to-two years later to allow the incorporation of lessons learned from the Los Alamos competition. The Committee had previously expressed opposition to bundling these two contracts into a single procurement and supports the Secretary's current strategy. In addition to the five laboratory contracts whose competitions are mandated by law, the Department has also elected to compete a number of other laboratory contracts, including the Fermi National Accelerator Laboratory, the Thomas Jefferson National Laboratory, and the Idaho National Laboratory. The Committee encourages the Department to use the flexibility provided within this section to stagger the award dates for these contracts, so as not to overwhelm the procurement capacity of the Department or the pool of potential bidders for these laboratory contracts.

Section 301 also reiterates language from previous Energy and Water Development Acts requiring notification of Congress if the Secretary awards a management and operating contract in excess of \$100 million in annual funding at a current or former management and operating contract site or facility, or awards a significant extension or expansion to an existing management and operating contract, or other contract covered by this section, unless such contract is awarded using competitive procedures, or the Secretary of Energy grants, on a case-by-case basis, a waiver to allow for such a deviation. At least 90 days before granting such a waiver, the Secretary of Energy must submit to the House and Senate Committees on Appropriations a report notifying the Committees of the waiver and setting forth, in specificity, the reasons for the waiver. Section 301 does not preclude extensions of a contract awarded using competitive procedures, but does establish a presumption of competition unless the Secretary invokes the waiver option. The waiver for non-competitive awards or extensions should be invoked only in truly exceptional circumstances or in the case of exceptional performance, not as a matter of routine. A non-competitive award or extension may be in the taxpayers' interest, but the burden of proof is on the Department to make that case in the waiver request.

Limitation on Benefits for Federal Employees.—Section 302 provides that none of the funds in this Act may be used to prepare

or implement workforce restructuring plans or provide enhanced severance payments and other benefits and community assistance grants for Federal employees of the Department of Energy under section 3161 of the National Defense Authorization Act of Fiscal Year 1993, Public Law 102-484. The Committee has provided no funds to implement workforce restructuring plans which would provide benefits to Federal employees of the Department of Energy which are not available to other Federal employees of the United States Government. This provision was included in the Energy and Water Development Appropriations Act, 2004.

Limitation on Funding for Section 3161 Benefits.—Section 303 provides that none of the funds in this Act may be used for enhanced severance payments to contractors and other benefits and community assistance grants authorized under the provisions of section 3161 of the National Defense Authorization Act of Fiscal Year 1993, Public Law 102-484.

Limitation on Initiation of Requests for Proposals.—Section 304 provides that none of the funds in this Act may be used to initiate requests for proposals or expressions of interest for new programs which have not yet been presented to Congress in the annual budget submission, and which have not yet been approved and funded by Congress. This provision was included in the Energy and Water Development Appropriations Act, 2004.

Transfer and Merger of Unexpended Balances.—Section 305 permits the transfer and merger of unexpended balances of prior appropriations with appropriation accounts established in this bill. This provision was included in the Energy and Water Development Appropriations Act, 2004.

Limitation on Bonneville Power Administration.—Section 306 provides that none of the funds in this or any other Act may be used by the Administrator of the Bonneville Power Administration to perform energy efficiency services outside the legally defined Bonneville service territory unless the Administrator certifies in advance that such services are not available from private sector businesses. This provision was included in the Energy and Water Development Appropriations Act, 2004.

User Facilities.—Section 307 establishes certain notice and competition requirements with respect to the involvement of universities in Department of Energy user facilities. This provision was included in the Energy and Water Development Appropriations Act, 2004. The detailed guidance on the application of this provision was provided in House Report 107-681 and continues to apply.

Research, Development and Demonstration Activities.—Section 308 provides authority for up to 2 percent of national security funding to be used for research, development, and demonstration activities at the four nuclear weapons plants (i.e., Kansas City, Pantex, Savannah River, and Y-12) and at the Nevada Test Site. This provision was included in the Energy and Water Development Appropriations Act, 2004.

Authorization of Intelligence Activities.—Section 309 authorizes intelligence activities of the Department of Energy for purposes of section 504 of the National Security Act of 1947 during fiscal year 2005 until the enactment of the Intelligence Authorization Act for fiscal year 2005.

Siting of Modern Pit Facility.—Section 310 provides that none of the funds made available in this or any other appropriations act may be used to select a site for the Modern Pit Facility during fiscal year 2005. As explained in the NNSA section of this report, the Committee believes any siting decision on the Modern Pit Facility is premature at this time.

Laboratory Directed Research and Development for Other Federal Agencies.—Section 311 provides that none of the funds made available in this act may be used to finance laboratory directed research and development (LDRD) activities on behalf of other federal agencies. The DOE laboratories may continue to conduct LDRD for other agencies, but only after the full reimbursement has been received by the Department from the other agencies. The other agencies may, of course, direct fund non-LDRD research by the DOE labs to directly serve the mission requirements of the other agencies.

Limitation on Nuclear Technology Exports.—Section 312 provides that none of the funds in this Act may be used to issue any license, approval, or authorization for export or reexport nuclear materials, equipment or sensitive nuclear technology to any country the Secretary of State has designated as engaged in state sponsorship of terrorist activities.