

# Appropriations for FY1998: Energy and Water Development

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Appropriations are one part of a complex federal budget process that includes budget resolutions, appropriations (regular, supplemental, and continuing) bills, rescissions, and budget reconciliation bills. The process begins with the President's budget request and is bounded by the rules of the House and Senate, the Congressional Budget and Impoundment Control Act of 1974 (as amended), the Budget Enforcement Act of 1990, and current program authorizations. In addition, the line item veto takes effect for the first time in 1997.

This report is a guide to one of the 13 regular appropriations bills that Congress passes each year. It is designed to supplement the information provided by the House and Senate Subcommittees on Energy and Water Development Appropriations. It summarizes the current legislative status of the bill, its scope, major issues, funding levels, and related legislative activity. The report lists the key CRS staff relevant to the issues covered and related CRS products.

This report is updated as soon as possible after major legislative developments, especially following legislative action in the committees and on the floor of the House and Senate.

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## **Appropriations for FY1998: Energy and Water Development**

### **Summary**

The Energy and Water appropriations bill includes funding for civil projects of the Army Corps of Engineers, the Department of the Interior's Bureau of Reclamation, much of the Department of Energy and a number of independent agencies, including the Appalachian Regional Commission, the Nuclear Regulatory Commission and the appropriated programs of the Tennessee Valley Authority. The Administration requested \$22.3 billion for these programs for FY1998 compared to \$20 billion appropriated for FY1997 and \$19.3 billion for FY1996. A conference bill reported (H.Rept. 105-271) on September 25, 1997, agreed to \$21.2 billion.

Key issues involving the Energy and Water appropriations programs included:

- Full up-front funding for several construction projects proposed by the Bureau of Reclamation, Army Corps of Engineers and the Department of Energy. The Congress did not fund projects beyond the FY1998 period.
- DOE request to expand its privatization program for waste management and cleanup.
- Spending for the nuclear technology R&D, which involves electrometallurgical treatment of DOE spent nuclear fuel.
- The Tennessee Valley Authority request to transfer authority over its nonpower appropriated programs and focus on its power programs in a deregulated market, starting in FY1999. The Congress funded nonpower programs at \$70 million for FY1998 and agreed to terminate funding after that.

The President signed the bill October 13. On October 17 he issued line-item vetoes on eight projects funded by the bill: five in the Corps of Engineers, one in the Bureau of Reclamation, and two in the Department of Energy.

Since this report was last updated, data related to FY1998 appropriations may have changed through supplemental appropriations or rescissions, entitlement revisions, or scorekeeping adjustments. These changes will be reflected in a subsequent report.

## Key Policy Staff

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## Contents

Most Recent Developments .....	1
Status .....	1
Title I: Corps of Engineers .....	2
Key Policy Issues .....	2
Title II: Department of the Interior .....	3
Key Policy Issues .....	4
Title III: Department of Energy .....	6
Key Policy Issues .....	7
Research and Development Programs .....	7
Applied Energy R&D .....	7
Basic Research Programs .....	8
Defense R&D Programs .....	8
Full Construction Cost Funding .....	9
Environmental Cleanup and Waste Management .....	9
Privatization .....	9
Other Environmental Management Funding .....	11
Nuclear Energy, Science and Technology .....	11
Line-Item Veto .....	12
Title IV: Independent Agencies .....	13
Key Policy Issues .....	13
For Additional Reading .....	14

## List of Tables

Status of FY1998 Energy and Water Development Appropriations .....	1
Energy and Water Development Appropriations, FY1991 to FY1998 .....	1
Title I: Corps of Engineers .....	2
Title II: Central Utah Project Completion Account .....	3
Title II: Bureau of Reclamation .....	4
Title III: Department of Energy .....	6
Title IV: Independent Agencies .....	13

# Appropriations for FY1998: Energy and Water Development

## Most Recent Developments

*The Senate Appropriations Committee reported out S. 1004 on July 10, 1997, and the Senate approved the bill by 99-0 on July 16, 1997. The House Appropriations Committee reported out H.R. 2203 on July 17, 1997. The House passed H.R. 2203 on July 25 by a vote of 418-7. A conference bill was reported on September 25 and passed both House and Senate September 30.*

*The President signed the bill October 13. On October 17 the President issued a line-item veto for eight projects funded in the bill as passed.*

*Since this report was last updated, data related to FY1998 appropriations may have changed through supplemental appropriations or rescissions, entitlement revisions, or scorekeeping adjustments. These changes will be reflected in a subsequent report.*

## Status

### Status of FY1998 Energy and Water Development Appropriations

Subcommittee Markup		House Report	House Passage	Senate Report	Senate Passage	Conference Report	Conference Report Approval		Public Law
							House	Senate	
July 11	July 8	H.Rept. 105-190	July 25 H.R. 2203	S.Rept. 105-44	July 16 S. 1004	Sept.26 H.Rept. 105-271	Sept. 30	Sept.30	Oct. 13 P.L. 105-62

### Energy and Water Development Appropriations, FY1991 to FY1998

(budget authority in billions of current dollars)\*

FY91	FY92	FY93	FY94	FY95	FY96	FY97	FY98 Request
20.8	21.8	22.2	22.3	20.7	19.3	19.97	22.3

\*These figures represent current dollars, exclude permanent budget authorities, and reflect rescissions.

This report includes FY1998 budget request figures and budget totals for appropriations enacted for FY1991 to FY1997. The tables for Titles I, II and III provide budget details for FY1996 - FY1998.

## Title I: Corps of Engineers

### Energy and Water Development Appropriations

#### Title I: Corps of Engineers

(in millions of dollars)

Program	FY1997	FY1998 Request*	Senate Bill (S. 1004)	House Bill (H.R. 2203)	P.L. 105-62
Investigations	153.9	150.0	164.1	157.3	156.8
Construction	1,081.9	1,323.0	1,284.3	1,475.9	1,469.1
Flood Control, Mississippi River	310.4	266.0	289.0	285.4	294.3
Operation and Maintenance	1,697.0	1,618.0	1,661.2	1,727.0	1,733.2
Regulatory	101.0	112.0	106.0	112.0	106.0
Flood Control and Coastal Emergencies	10.0	14.0	10.0	14.0	4.0
Other	149.0	148.0	148.0	258.0 (incl. remedial action)	--
FUSRAP	--	--	--	--	140.0**
Total	3,503.2	3,631.0	3,662.6	4,026.6	3,903.4

\* FY1998 budget request includes full construction funding.

\*\*Transferred from Department of Energy, Title III.

### Key Policy Issues

The funding request for the Corps of Engineers programs is \$128 million over FY1997 funding. The request includes advance payments for all new starts and incremental funding for projects scheduled to be complete in 2002. This would differ from funds appropriated annually. Some members of Congress are concerned that the Corps is asking for all the funding up front when in the past it has left projects incomplete. According to the Corps, water projects have been exempt from the Office of Management and Budget requirements to fully fund federal capital projects up front. The conference agreement provided a slight increase over the budget request in most categories. In addition, it transferred the DOE's Formerly Utilized Sites Remedial Action Program (FUSRAP) to the Corps' jurisdiction.

On October 17, 1997, the President issued a line-item veto for five Corps projects funded in the bill as passed:

- Allegheny River, Kittanning, PA, extend navigation channel to a river park used by tour boats, \$6 million;
- Sardis Lake, Panola County, MS, dredging for recreational use, \$1.9 million;

- Lake George, Hobart, IN, dredging silt and sediment for recreational and aesthetic purposes, \$3.5 million;
- Chena River, Fairbanks, AK, navigation project, \$800,000;
- Neabsco Creek, Prince William County, VA, dredge sediment and debris for flood control, \$800,000.

## Title II: Department of the Interior

### Energy and Water Development Appropriations Title II: Central Utah Project Completion Account (in millions of dollars)

Program	FY1997	FY1998 Request	Senate Bill (S. 1004)	House Bill (H.R. 2203)	P.L. 105- 62
Central Utah project completion	31.9	28.8	28.8	28.8	28.8
Utah reclamation mitigation/conservation	11.7	11.6	11.6	11.6	11.6
Program Admin.	--	.8	.8	.8	.8
<b>Total, Central Utah Project</b>	43.6	41.2	41.2	41.2	41.2

### Energy and Water Development Appropriations Title II: Bureau of Reclamation (in millions of dollars)

Program	FY1997	FY1998 Request	Senate Bill (S. 1004)	House Bill (H.R. 2203)	P.L. 105-62
Construction	394.1	--	--	--	--
Operation and Maintenance	267.9	--	--	--	--
General Investigations	16.7	--	--	--	--
Water and related resources	--	666.4	688.4	651.9	693.0
California Bay-Delta	--	143.3	50.0	120.0	85.0
Loan program account	12.7	10.4	10.4	10.4	10.4
General Admin. Expenses	46.0	47.7	47.6	47.7	47.6



Program	FY1997	FY1998 Request	Senate Bill (S. 1004)	House Bill (H.R. 2203)	P.L. 105-62
Central Valley Project Restoration Fund	38.0	39.1	33.1	39.1	33.1
<b>Total, Bureau of Reclamation</b>	775.4	906.4	829.5	869.1	869.1

### Key Policy Issues

In the West, most of the large dams and water diversion structures were built by, or with the assistance of, the Bureau of Reclamation (Bureau). Where the Corps has built hundreds of flood control and navigation projects, the Bureau's mission was to develop water supplies and to reclaim arid lands in the west, primarily for irrigation. Today, the Bureau manages more than 600 dams in 17 western states, providing water to approximately 10 million acres of farmland and 31 million people. The agency now views its mission as "water management."

The Administration has asked for an appropriation of \$906 million in FY1998 (current budget authority), \$131 million more than enacted for FY1997. The increase is largely due to a \$143.3 million request for the California Bay-Delta Ecosystem Restoration program (CALFED). When this is subtracted, the request results in a decrease of \$11.8 million for ongoing programs. Although funding for the Bay-Delta program has been requested within the Bureau's budget, the appropriation will be allocated among several federal agencies. It is expected that the majority of funding will go to the Bureau and the Corps. The conferees provided most of the funding requested.

The FY1998 request includes \$12.2 million less than the FY1996 enacted appropriations for "Water and Related Resources" -- a new category of funding, which combines the old categories of construction, operation and maintenance, general investigations, and emergency fund appropriations. The Water and Related Resources request includes \$6 million for Animas-La Plata, a controversial water supply project in southwestern Colorado.

The House approved \$829 million in FY1998 budget authority, \$77 million less than requested. The Senate approved \$869 million, \$37 million less than requested. The House approved \$129 million for the CALFED process, whereas the Senate approved \$50 million. Both the House and the Senate supported \$6 million for continuation of work on the Animas La Plata project and state in report language that funds may be used in support of a process initiated by the Governor of Colorado and the Secretary of the Interior to develop a new proposal for the project. A Senate amendment to prohibit construction funding of the Animas project until a new authorization for the project is enacted was tabled after considerable debate by a vote of 56-42.

On October 17 the President issued a line-item veto for a \$1.3 million Bureau of Reclamation study of water reclamation technology.

## Title III: Department of Energy

### Energy and Water Development Appropriations

#### Title III: Department of Energy

(in millions of dollars)

Program	FY1997	FY1998 Request*	Senate Bill (S.1004)	House Bill (H.R. 2203)	P.L. 105-62
<b>Energy Supply R&amp;D</b>					
Solar and Renewable	270.0	329.7	301.4	329.3	345.3
Nuclear Energy	222.7	330.7	244.3	228.6	243.1
Basic Energy Sciences	649.7	668.2	--	--	--
Biological & Environ. R&D	389.1	376.7	--	--	--
Fusion Energy	232.5	225.0	240.0	225.0	232.0
Environmental Restoration and Waste Management (non-defense)	591.9	684.7	--	--	--
Other	403.2	473.4	168.2	142.1	--
<b>Subtotal</b>	2,759.1	3,088.4	953.9	880.7	--
(adjustments)	(48.2)	--	--	--	--
<b>Subtotal</b>	2,710.9	3,088.4	953.9	880.7	--
<b>Uranium Enrichment</b>					
Enrichment Activities (Net)	1.0	--	--	--	--
Uranium Enrichment D&D	200.0	248.8	230.0	220.2	220.2
<b>General Science</b>					
High Energy Physics	670.1	675.0	675.0	680.0	680.0
Nuclear Physics	315.9	315.9	315.9	320.9	320.9
Basic Energy Sci.	--	--	668.2	668.2	668.2
Bio. & Env. R&D	--	--	376.7	381.7	406.7
Other	10.0	11.9	187.3	156.8	173.7
<b>Subtotal</b>	996.0	1,002.8	2,223.1	2,207.6	--
Environ.Res. & Waste Management -- Non-Defense	--	--	664.7	497.6	493.1
Defense Environmental Restoration and Waste Management	5,459.3	5,695.2	5,311.9	5,263.3	4,429.4
Defense Facilities Closure Projects	--	--	--	--	890.8
Environmental Restoration Privatization	--	1,006.0	--	--	200.0
National Security (Weapons)	3,911.2	5,078.7	4,302.5	3,943.2	4,146.7
Other National Security	1,605.7	1,627.8	1,981.0	1,580.5	1,666.0
Departmental Admin. (net)	89.6	101.3	89.5	83.4	87.4
Office of Inspector General	23.8	29.5	27.5	27.5	27.5

Program	FY1997	FY1998 Request*	Senate Bill (S.1004)	House Bill (H.R. 2203)	P.L. 105-62
Power Marketing Admin.					
Alaska	4.0	1.0	3.5	1.0	13.5
Bonneville (non-add, new borrowing authority)	277.0	253.0	253.0	253.0	
Southeastern	16.4	16.2	12.2	12.2	12.2
Southwestern	25.2	26.5	26.5	25.2	25.2
Western	193.6	230.0	180.3	189.0	189.0
Colorado River Basin	--	-16.0			
Falcon & Armistad O&M	1.0	1.0	1.0	1.0	1.0
FERC (revenues)	156.3 (156.3)	167.6 (167.6)	162.1 (162.1)	162.1 (162.1)	162.1 (162.1)
Nuclear Waste	365.0	380.0	350.0	350.0	350.0
Adjustments	--	--	--	--	--
<b>Total, Title III</b>	<b>15,780.0</b>	<b>18,517.2</b>	<b>16,390.7</b>	<b>15,282.7</b>	<b>15,893.6</b>

\* FY1998 budget request totals include full construction funding.

## Key Policy Issues

### *Research and Development Programs*

For FY1998, DOE is requesting \$6.95 billion for civilian and defense R&D activities within the Committee's jurisdiction, compared to \$6.00 billion appropriated for FY1997, a 15.8% increase. For civilian R&D programs, the request is \$3.24 billion compared to \$3.09 billion appropriated for FY1997, and for defense R&D (nuclear weapons) programs, the request is \$ 3.66 billion compared to \$2.92 billion appropriated for FY1997. The large increase -- most of which occurs in defense -- is mostly a result of the switch to full construction cost funding. Without that change, the FY1998 budget request would have been about \$250 million or 4.2% above the FY1997 appropriation.

**Applied Energy R&D.** For applied energy R&D programs, DOE is requesting an increase of 27.7% for in solar and renewable energy. Photovoltaics, biofuels, wind, and electric energy systems and storage would receive most of the additional funds. There may be debate over this increase, however, as a result of different views about the role of the federal government in supporting research with potential commercial application. The conference bill approved a substantial increase over FY1997, but still well below the FY1998 request.

DOE is also requesting 22.7% increase in nuclear energy R&D. In addition, the program is shifting its goals from development of the next generation of light water reactors to support the Nation's existing power plants. DOE will establish an outside review panel to recommend strategic changes for the program. The proposed change may generate debate

about DOE's relationship with the Nation's nuclear power industry. A large share of the request, about 32%, is for termination costs of various DOE reactor facilities.

The conference bill funding level is well below the request, primarily because it did not approve DOE's nuclear security initiative request.

**Basic Research Programs.** For basic research, DOE is requesting a small increase of 1.8%. The basic research programs include general science and research, basic energy sciences, computational and technology research, biological and environmental research, and fusion energy science. Each of these programs is asking for a small increase or decrease. No major issues appear, although two items may receive attention. In general sciences and research, the high-energy physics (HEP) program is requesting \$394 million in advance appropriation for FY1999 to FY2004 for United States participation in the large hadron collider project at the Center for European Nuclear Research (CERN). This action could have significant implications for the rest of the HEP program if future year funding is no greater than level with this year, which seems likely. In fusion energy sciences, DOE is asking for \$55 million for the last year of the collaborative engineering design of the international thermonuclear experimental reactor (ITER). A decision on construction will be made during FY1998, and debate about whether the United States should participate may take place this year.

The conference approved nearly all DOE's request in these areas. It expressed strong support for DOE's basic science research activities. It did not, however, approve advance appropriation for the HEP program.

**Defense R&D Programs.** By far, most of the increase in the DOE R&D request resulting from the change to full construction cost funding takes place in the stockpile stewardship program. For FY1998, DOE is asking for \$876 million for remaining funds needed to construct the National Ignition Facility (NIF). Prior to the change, the projected request for FY1998 for the NIF was about \$200 million. In addition, the request shows that the total construction cost of the project has increased by about \$200 million to \$1.05 billion. (The total project cost is now estimated at \$1.2 billion up from \$1.1 billion.) The request for the core stockpile stewardship program is about 0.5% below the FY1997 appropriation. Debate over this funding request may involve broader issues about the overall objectives of the DOE efforts to maintain the nuclear weapon stockpile and whether these objectives can be met.

The conference provided a substantial increase above the DOE request for the core stockpile stewardship program. It provided funding for FY1998 construction of NIF, but did not provide the requested full construction cost funding.

### ***Full Construction Cost Funding***

For FY1998, the Office of Management and Budget has instructed DOE to request the full construction cost for any multi-year project which is currently under construction. Previously, DOE only asked for budget authority for the funds incrementally each year at a level approximating the amount it intended to obligate that year. DOE argues that this change will allow the Congress and Administration to make decisions about projects with a clearer view of their full costs. In addition, DOE believes the new system will make it easier to

ensure projects are completed on time and within budget. Outlays for these projects will still occur over their life as originally scheduled.

For FY1998, this change adds about \$1.6 billion to the total DOE budget request that would not have been there under the previous system of incremental requests. About half of this addition occurs in the R&D programs, primarily in stockpile stewardship, and the other half in non-R&D programs, primarily defense environmental restoration and waste management.

The conference declined to fund construction projects beyond the FY1998 period.

### ***Environmental Cleanup and Waste Management***

Cleaning up environmental contamination at DOE nuclear facilities and disposing of radioactive waste continue to be the Department's most expensive activities. The FY1998 appropriations request for DOE's Environmental Management Program, which manages those activities, totals \$7.2 billion, up \$1.2 billion from FY1997. The conference cut the total to just over \$6 billion, and transferred one of DOE's cleanup programs (Formerly Utilized Sites Remedial Action Program, FUSRAP), to the Army Corps of Engineers.

Most of the additional funding requested by DOE would not have been spent in FY1998 but instead was to be held for gradual payout in future years. About \$1 billion in the FY1998 request would provide advance appropriations for "privatized" waste management contracts, and \$650 million would provide full funding for proposed construction projects. If the future-year funding in the request were subtracted, the Environmental Management Program would rise from \$5.7 million in FY1997 to \$5.76 million in FY1998, according to DOE.

**Privatization.** DOE requested \$1.006 billion in FY1998 to greatly expand the "privatization" of waste management and cleanup projects throughout the Department. Congress provided \$330 million for DOE privatization in FY1997. Conferees provided \$200 million for privatization in FY1998.

The DOE privatization initiative is intended to reduce costs by increasing competition for cleanup work and shifting a portion of project risks from the federal government to contractors. Profits to contractors would depend on their success in meeting project schedules and holding down costs; potentially, profits could be substantially higher than under traditional DOE contracting arrangements.

In a typical non-privatized DOE project, a contractor would be hired to build and operate a facility with government funds. DOE would approve and pay all the contractor's costs, and then award the contractor a profit based on performance. Under the privatization initiative, a contractor would be expected to raise almost all funding for necessary facilities and equipment for a project. The contractor would recover that investment and earn a profit by charging previously negotiated fees to DOE for providing services under the contract, such as solidification of radioactive waste. The contractor could earn higher profits by reducing costs, but the contractor could lose money if project costs were higher than expected or the required services were not delivered.

According to DOE's FY1998 budget request, the privatization concept requires Congress to provide sufficient budget authority in advance to cover a contractor's costs if a project is canceled by the government. Without such advance appropriations, according to DOE, contractors cannot raise money for privatized projects. For example, private financial backers of a waste treatment plant would need assurance that if the plant were built and the federal government decided not to use it, then DOE would have funding available to pay all the project's costs to that point, plus a cancellation fee. If a project operated as planned, the advance appropriations then would be gradually drawn down to help pay for the services specified by the contract. In either case, outlays from the advance appropriations for privatization would not occur until future years.

Nearly half of the FY1998 privatization request, \$427 million, would be devoted to the design and construction of two demonstration plants for treating highly radioactive waste now stored in underground tanks at DOE's Hanford Site in Washington State. Total costs of building and operating the demonstration plants are estimated at \$4-\$6 billion, with the majority of budget outlays expected from FY2002 through FY2007. DOE estimates that privatizing the project will reduce costs by 10-30%. The conferees placed high priority on the Hanford waste project.

The remaining \$579 million of the FY1998 privatization request would provide advance appropriations for 11 other environmental projects throughout the DOE complex. Among the larger projects are a radioactive solid waste treatment facility at Oak Ridge, Tennessee, spent nuclear fuel storage facilities at the Savannah River Site in South Carolina, and a low-level liquid waste treatment facility at Idaho Falls, Idaho. Estimated cost savings range from 10-40%.

Controversy over the DOE privatization initiative has centered primarily on the future budget outlays that will be generated by the large advance appropriations being requested for the program. In addition to the \$1.3 billion sought or already provided, DOE plans to request about \$500 million per year for privatization during the subsequent five fiscal years, according to recent DOE testimony. Concerns have been raised that large future outlays for privatized projects could have unpredictable effects on other programs in the Energy and Water Appropriations Bill.

Other privatization issues include the accuracy of DOE's projections of cost savings, and the degree of risk to be borne by privatized contractors. A recent report by the General Accounting Office found some of DOE's cost-reduction projections to be overstated, although the agency agreed that substantial savings could be expected from the new contracting approach. Much of the success of the program may depend on the amount of real risk that contractors agree to accept and how much risk remains with DOE. Because few privatized contracts have yet been signed, that factor remains subject to uncertainty.

**Other Environmental Management Funding.** Excluding advance appropriations for privatized contracts and construction projects, funding for DOE environmental cleanup and waste management programs is to rise only slightly in FY1998. One exception is the Formerly Utilized Sites Remedial Action Program (FUSRAP), which would get a boost from \$75 million to \$182 million. FUSRAP cleans up non-federal sites that were radioactively contaminated by U.S. nuclear weapons work and other activities. According to DOE, the accelerated funding would advance the completion of the program from FY2006 to FY2002.

Conferees transferred the FUSRAP program to the Army Corps of Engineers, an idea that has been proposed for all DOE cleanup activities.

A \$37 million reduction is proposed for development of cleanup and waste management technology, to \$258 million. The largest reduction is in the subsurface contaminants category, which would be cut by two-thirds and receive no new projects in FY1998. In addition to the funding cut, \$50 million of technology development spending would be shifted to a technology deployment initiative, to help ensure that the most promising new technologies are actually used by cleanup contractors.

The Senate cut funds to the technology a further \$25 million, to \$233 million. The Committee Report declared that "changes need to be made in the management, execution and oversight" of the program to "improve the results" of the technology investment. The House Energy and Water Subcommittee, with similar negative comments, cut the program \$75 million to \$183 million. The conference agreement provides \$220 million.

### ***Nuclear Energy, Science and Technology***

An increase of more than \$80 million is being sought for the Office of Nuclear Energy, Science and Technology, whose activities include development of nuclear energy systems, international nuclear safety assistance, termination of unused facilities, and development of spent nuclear fuel treatment processes. The FY1998 funding request for the office totals \$415 million.

A major issue in the nuclear energy budget in previous years involved funding for advanced versions of light water reactors, the type of nuclear power plant currently in commercial operation throughout most of the world. Opponents called the funding an example of "corporate welfare," contending that the nuclear industry, which shared the program's costs, should develop new reactors entirely on its own. According to DOE, the program will be successfully completed in FY1997, and only \$5.5 million in "closeout costs" are being sought for FY1998.

With the end of the advanced light water reactor program, DOE is proposing a follow-on program that would develop technology to support continued operation of existing U.S. nuclear power plants. However, the conference agreement provided no funding for the initiative. The proposed "nuclear energy security" program, funded at \$39 million in FY1998, would have helped assure the diversity of the nation's energy supply and help reduce emissions from fossil fuels, according to the DOE budget request. The program is intended to develop technologies to mitigate the aging of nuclear plant components, develop advanced reactor control systems, overcome obstacles to longer lasting nuclear fuel, and study other nuclear plant operational problems. As with the light water reactor program, opponents contend that such research should be the responsibility of the nuclear industry.

Another controversial element in the nuclear energy budget request is \$25 million for "nuclear technology research and development," which involves the "electrometallurgical treatment" of DOE spent nuclear fuel. Conferees provided \$12 million. In that treatment process, spent fuel is melted and highly radioactive isotopes are electrically separated from uranium and plutonium. According to the DOE FY1998 budget request, electrometallurgical

treatment could be used to transform unstable spent fuel into safer forms for storage and disposal.

Opponents contend that such treatment is unnecessary and that the process could be used for separating plutonium to make nuclear weapons. They note that the process uses much of the same technology and equipment developed for the plutonium-fueled Integral Fast Reactor, which was canceled by Congress in 1993 partly because of concerns about nuclear weapons proliferation.

### *Line-Item Veto*

On October 17 the President issued a line-item veto of two Department of Energy projects: \$4 million for a multi-purpose canister for transporting nuclear waste, and \$1 million for aluminum matrix transmission line research at Oak Ridge National Laboratory in Tennessee.

## **Title IV: Independent Agencies**

### **Energy and Water Development Appropriations**

#### **Title IV: Independent Agencies**

(in millions of dollars)

<b>Program</b>	<b>FY1997</b>	<b>FY1998 Request</b>	<b>Senate Bill S.1004</b>	<b>House Bill (H.R. 2203)</b>	<b>P.L. 105-62</b>
Appalachian Regional Commission	160.0	165.0	160.0	160.0	170.0
Nuclear Regulatory Commission	471.8	476.5	476.5	462.7	472.8
(Revenues)	(457.3)	(457.5)	(457.5)	(446.7)	(454.4)
Net NRC	14.5	19.0	19.0	16.0	18.0
Tennessee Valley Authority	106.0	106.0	86.0	0	70.0
Defense Nuclear Facilities Safety Board	16.0	17.5	17.5	16.0	17.0
Nuclear Waste Technical Review Board	2.5	3.2	3.2	2.4	2.6
<b>Total</b>	<b>299.0</b>	<b>310.7</b>	<b>285.7</b>	<b>194.4</b>	<b>--</b>

### **Key Policy Issues**

TVA is requesting the same amount of funding that was appropriated in FY1997. The agency has also indicated that this is the last year it will request funds for the appropriated component of TVA. Federal appropriations do not support TVA's power programs. Annual appropriations go to nonpower programs such as flood control and navigation management. The agency wants to make a "smooth transition" out of the nonpower programs and focus



solely on its power programs in a deregulated power market. TVA believes that the Army Corps of Engineers could run its nonpower projects.

The Senate cut the TVA appropriations \$20 million, to \$86 million, and commented that TVA's efforts "have not produced consensus on a way to achieve a significant shift away from appropriations." The House recommended cutting the entire \$106 million appropriation, instructing TVA to pay for the nonpower activities out of its \$5.8 billion power program. The conference provided \$70 million and "accept[ed] the Administration's proposal to terminate appropriated funding for TVA after fiscal year 1998."

NRC is requesting a net appropriation of \$476.5 million minus about \$457.5 million it expects to collect in licensing fees, inspections services and other fees leaving a net appropriation of \$19 million for FY1998.

## **For Additional Reading**

### **CRS Products**

CRS Report 97-54. Department of Energy Programs: History, Status, Options.

CRS Report 97-464. The National Ignition Facility and Stockpile Stewardship.

CRS Report 96-212. Civilian Nuclear Spent Fuel Temporary Storage Options.

CRS Report 97-233. The Department of Energy FY1998 Research and Development Budget and Issues.

CRS Issue Brief 92059. Civilian Nuclear Waste Disposal.

CRS Issue Brief 97031. Renewable Energy: Key to Sustainable Energy Supply?

CRS Issue Brief 91039. The DOE Fusion Energy Science Program.

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