Legislative Bulletin......July 9, 2014

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H.R. 4923 – Energy and Water Appropriations Act, 2015 (Simpson, R-ID)

Updates on amendments will be sent as they become available.

H.R. 4923 – Energy and Water Appropriations Act, 2015 (Simpson, R-ID)

By the Numbers:

In thousands of dollars

	FY14 House Level	FY14 Enacted	FY15 President Request	FY15 House Level
Net Total Base Discretionary	30,426,000	34,060,499	33,683,138	34,010,000

Net Total Base Discretionary Budget Authority is:

- \$3.584 billion above the level proposed by the House Appropriations Committee for FY 2014.
- \$50 million below the enacted FY 2014 level.
- \$327 million above the President's budget request.

H.R. 4923 provides a net total of \$34.01 billion in discretionary budget authority. Of this amount, \$17.15 billion is for defense purposes and \$16.86 billion is for non-defense.

The Committee Report can be found here, and the text of the legislation can be found here.

Order of Business: H.R. 4923 is expected to be considered beginning on July 9th, under a modified open rule permitting all germane amendments to be offered. The rule was approved by the House on June 25, 2014, and also provided for the consideration of H.R. 4899, the Lowering Gasoline Prices to Fuel an America That Works Act. The rule provides for one hour of general debate. The rule provides for one hour of general debate and ten minutes of debate (evenly divided) on all amendments. No pro-forma ("strike the last word") amendments are in order, other than 10 each for the Chair and Ranking Member of the Committee on Appropriations. Members who have pre-printed their amendments in the Congressional Record will be given

priority in recognition. As a reminder, amendments must be offered at the appropriate time during the reading of the bill.

Bill Outline:

Title I: Corps of Engineers - Civil

In thousands of dollars

FY14 House	FY14 Enacted	FY15 President	FY15 House	FY15 vs FY14	FY15 vs FY14	FY15 vs President
Level		Request	Level	House	Enacted	Request
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The Army Corps of Engineers is appropriated \$5.492 billion, a level that is \$959 million above the President's budget request, \$25 million above the FY14 enacted level, and \$616 million above the level proposed by the House Appropriations Committee for FY14.

No New Starts: The bill does not provide for any new starts in FY15. The FY14 Consolidated Appropriations Act provided for three new study starts, however, the Committee Report criticizes the Administrations management of this authority. Specifically, the Administration has attempted to combine two proposed studies into one in order to game the statutory limit in an effort to contravene Congressional intent. According to <u>CRS</u>, "there is a backlog of more than 1,000 authorized studies and construction projects."

Additional Funding for Ongoing Work: The bill provides a total of \$916.599 million in additional funding for authorized projects not specifically included in the President's budget request in the accounts that fund ongoing Corps work. Within this total "additional funding" allocations, \$38.22 million is provided for Investigations, \$541.179 million for Construction, \$33.8 million for Mississippi River and Tributaries, and \$303.4 million for Operation and Maintenance. The Administration is given authority to allocate these funds to a project if "(1) it has received funding, other than through a reprogramming, in at least one of the previous three fiscal years; or (2) it was previously funded and could reach a significant milestone or produce significant outputs in fiscal year 2015." The Corps is required to submit a work plan within 21 days of enactment and a more detailed report within 60 days. These allocations allow the Congress to fund projects in addition to just those included in the President's budget while staying compliant with the earmark ban, because the bill does not specify which projects should be supported with these funds.

Investigations: The Investigations Account is appropriated \$115 million, a level that is \$35 million above the President's budget request, \$10 million below the FY14 enacted level, and \$25 million above the level proposed by the House Appropriations Committee for FY14. This account funds studies to determine the need for and feasibility of Corps projects as well as preconstruction engineering and design. The specific projects that are funded can be found in the Committee Report. \$38.22 million is provided in additional funding for ongoing work.

Construction: The Construction Account is appropriated \$1.704 billion, a level that is \$579 million above the President's budget request, \$48 million above the FY14 enacted level, and

\$361 million above the level proposed by the House Appropriations Committee for FY14. This account funds the construction and major rehabilitation of water infrastructure projects. The specific projects that are funded can be found in the Committee Report. \$541.179 million is provided in additional funding for ongoing work.

Mississippi River and Tributaries: The Mississippi River and Tributaries Account is appropriated \$260 million, a level that is \$15 million above the President's budget request, \$47 million below the FY14 enacted level, and \$11 million above the level proposed by the House Appropriations Committee for FY14. This account funds planning, construction, and operations and maintenance of flood control projects in the lower Mississippi River Valley. The specific projects that are funded can be found in the Committee Report. \$33.8 million is provided in additional funding for ongoing work.

Operation and Maintenance: The Operation and Maintenance Account is appropriated \$2.905 billion, a level that is \$305 million above the President's budget request, \$44 million above the FY14 enacted level, and \$223 million above the level proposed by the House Appropriations Committee for FY14. This account funds activities such as dredging, repair, aquatic plant control, monitoring of completed projects, removal of sunken vessels, and the collection of waterborne commerce statistics. The specific projects that are funded can be found in the Committee Report. \$303.4 million is provided in additional funding for ongoing work.

Fill Material Regulations: Section 105 of the bill prohibits the Army Corps of Engineers from implementing regulations to change the definition of fill material under the Clean Water Act. CRS has additional information on this issue.

Navigable Waters: Section 106 of the bill prohibits the Army Corps of Engineers from changing the definition of "navigable waters" under the Clean Water Act. In March, the EPA and the Corps proposed regulations that would reverse the long-standing definition of what waters would be regulated by the Clean Water Act. These regulations would place significant permitting and regulatory costs on many property owners. <u>CRS</u> has additional information on this issue. <u>Heritage</u> has praised this language in the bill.

Title II: Department of the Interior

In thousands of dollars

FY14	FY14	FY15	FY15	FY15 vs	FY15 vs	FY15 vs
House	Enacted	President	House	FY14	FY14	President
Level		Request	Level	House	Enacted	Request

The Department of the Interior is appropriated \$1.014 billion, a level that is \$29 million below the President's budget request, \$100 million below the FY14 enacted level, and \$49 million above the level proposed by the House Appropriations Committee for FY14.

Bureau of Reclamation: The Bureau of Reclamation is appropriated \$1.004 billion, a level that is \$39 million below the President's budget request, \$101 million below the FY14 enacted level,

and \$48 million above the level proposed by the House Appropriations Committee for FY14. The <u>Bureau of Reclamation</u> is charged with managing water resources in 17 western states. The specific projects that are funded can be found in the <u>Committee Report</u>.

Title III: Department of Energy

In thousands of dollars

FY14	FY14	FY15	FY15	FY15 vs	FY15 vs	FY15 vs
House	Enacted	President	House	FY14	FY14	President
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Level		Request	Level	House	Enacted	Request

The Department of Energy (DOE) is appropriated \$27.306 billion, a level that is \$1.131 billion below the President's budget request, \$25 million above the FY14 enacted level, and \$2.381 billion above the level proposed by the House Appropriations Committee for FY14.

Energy Efficiency and Renewable Energy (EERE): EERE is appropriated \$1.789 billion, a level that is \$528 million below the President's budget request, \$113 million above the FY14 enacted level, and \$806 million above the level proposed by the House Appropriations Committee for FY14. This program subsidizes "green energy" projects.

The RSC Budget proposed eliminating EERE, stating "Not only does this [account] allow the federal government to pick winners and losers, but it also limits research to a small sector of the energy economy – renewables. Instead of wasting taxpayer dollars on risky renewable energy schemes, the United States should be pursuing a market-based, all-of-the-above energy policy." Many conservative groups oppose all or portions of this program, including, Americans for Prosperity, Cato, Citizens Against Government Waste, Heritage, and National Taxpayers Union. A majority of the Republican Conference supported an amendment to the FY14 Energy and Water Appropriations bill to cut this account significantly.

The major EERE lines are shown in the table below:

(Dollar figures in millions)	FY15 House Level	Vs. FY14 House Proposed	Vs. FY14 Enacted	Vs. President Request
Bioenergy	\$180	+\$60	-\$52.429	-\$73.2
Hydrogen and Fuel Cells	\$100	+\$35	+\$7.017	+\$7.017
Vehicle Technologies	\$277.5	+\$72.5	-\$12.41	-\$81.5
Advanced Manufacturing	\$206	+\$86	+\$25.421	-\$99.1
Building Technologies	\$165	+\$100	-\$12.974	-\$46.7
Geothermal	\$46	+\$34	+\$.198	-\$15.5
Solar	\$178	+\$113	-\$79.211	-\$104.3
Water	\$38.5	+\$14.5	-\$20.1	-\$24

Wind	\$107	+\$83	+\$18.821	-\$8
Weatherization	\$253	+\$160.9	+\$22	-\$51.7

Electricity Delivery and Energy Reliability: Electricity Delivery and Energy Reliability is appropriated \$160 million, a level that is \$20 million below the President's budget request, \$13 million above the FY14 enacted level, and \$160 million above the level proposed by the House Appropriations Committee for FY14. This program is meant to "increase the efficiency, resilience, and security" of our electricity system.

Nuclear Energy: The Nuclear Energy program is appropriated \$899 million, a level that is \$36 million above the President's budget request, \$10 million above the FY14 enacted level, and \$243 million above the level proposed by the House Appropriations Committee for FY14. Of this amount, \$104 million is classified as for defense purposes and \$795 is for non-defense. This program conducts research to develop new nuclear reactors. Several outside groups have opposed this funding, including Cato, Citizens Against Government Waste, Heritage, National Taxpayers Union, and Taxpayers for Common Sense.

Yucca Mountain: Under the Nuclear Waste Policy Act of 1982, the federal government has a legal responsibility to assume responsibility for spent civilian nuclear fuel. Because the Administration has halted the Yucca Mountain project, the taxpayers face a liability of \$25.1 billion in penalties, an increase of \$9.8 billion since 2010. In August, 2013, the D.C. Circuit Court of Appeals ruled that the Administration's refusal to complete the Yucca project was in contravention of the Nuclear Waste Policy Act. The bill provides \$150 million for Yucca Mountain and \$55 million for the adjudication of the Yucca Mountain license application. CRS has additional background on nuclear waste management. Heritage has said that "finishing the review of Yucca Mountain is a critical part of any plan moving forward."

Fossil Energy Research and Development: Fossil Energy Research and Development is appropriated \$593 million, a level that is \$118 million above the President's budget request, \$31 million above the FY14 enacted level, and \$143 million above the level proposed by the House Appropriations Committee for FY14. This program conducts research on fossil fuels, such as coal, oil, and natural gas. Of the total amount, \$412 million is for coal. Several conservative groups have opposed this program, including Cato, Citizens Against Government Waste, Heritage, and National Taxpayers Union. A majority of the Republican Conference supported an amendment to the FY14 Energy and Water Appropriations bill to eliminate this funding.

Strategic Petroleum Reserve (SPR): The SPR is provided \$205 million, a level that is equal to the President's budget request, \$16 million above the FY14 enacted level, and \$16 million above the level proposed by the House Appropriations Committee for FY14. According to the Committee Report, the SPR's current available inventory is equal to about 102 days of net import protection. Cato and Citizens Against Government Waste have proposed eliminating the SPR.

Non-Defense Environmental Cleanup: Non-Defense Environmental Cleanup is appropriated \$241 million, a level that is \$15 million above the President's budget request, \$9 million above

the FY14 enacted level, and \$47 million above the level proposed by the House Appropriations Committee for FY14. This program restores sites that were used for civilian energy research activities.

Uranium Enrichment Decontamination and Decommissioning Fund: The Fund is appropriated \$586 million, a level that is \$55 million above the President's budget request, \$13 million below the FY14 enacted level, and \$41 million above the level proposed by the House Appropriations Committee for FY14. This Fund is meant to pay for cleanup activities at plants in Portsmouth, Ohio; Paducah, Kentucky; and the East Tennessee Technology Park in Oak Ridge, Tennessee.

DOE Office of Science: The DOE Office of Science is appropriated \$5.071 billion, a level that is \$40 million below the President's budget request, equal to the FY14 enacted level, and \$418 million above the level proposed by the House Appropriations Committee for FY14. The Office of Science funds basic science research. Within the total amount, \$541 million is for Advanced Scientific Computing Research, \$1.702 billion is for Basic Energy Sciences, \$540 million is for Biological and Environmental Research, \$540 million is for Fusion Energy Sciences, \$775 million is for High Energy Physics, and \$600 million is for Nuclear Physics. Heritage has supported spending cuts to the Office of Science.

Advanced Research Projects Agency - Energy (ARPA-E): ARPA-E is appropriated \$280 million, a level that is \$45 million below the President's budget request, equal to the FY14 enacted level, and \$230 million above the level proposed by the House Appropriations Committee for FY14.

The RSC Budget proposed eliminating ARPA-E, stating: "This agency was started by the failed 2009 stimulus law and is meant to fund high-risk green energy projects. Taxpayers should not bear the burden for research projects that the energy industry will not even take on for itself." Heritage has supported eliminating this program.

Title 17 Innovative Technology Loan Guarantee Program Administrative Expenses: Administrative expenses for the Title 17 Loan Guarantee Program are provided a net appropriation of \$17 million, a level that is equal to the President's budget request, \$3 million below the FY14 enacted level, and \$17 million above the level proposed by the House Appropriations Committee for FY14.

The RSC Budget proposed eliminating the appropriations to this program, stating: "This is the program that gave us the Solyndra scandal that resulted in the taxpayers losing more than \$500 million after the Administration gambled on a politically favored company." The House Oversight and Government Reform Committee published a report in 2012 titled The House Oversight and Government Reform Committee published a report in 2012 titled The House Oversight and Government Reform Committee published a report in 2012 titled The Department of Energy's Disastrous Management of Loan Guarantee Programs. Several conservative groups have supported eliminating this program, including Americans for Prosperity, Mercatus, and Taxpayers for Common Sense.

Advanced Technology Vehicles Manufacturing Loan Program: The Advanced Technology Vehicles Manufacturing Loan Program is appropriated \$4 million for administrative expenses, a

level that is equal to the President's budget request, \$2 million below the FY14 enacted level, and \$2 million below the level proposed by the House Appropriations Committee for FY14. This program provides guaranteed loans to automotive companies to support the development of "greener" cars. Cato support eliminating this program. A majority of the Republican Conference supported an amendment to the FY14 Energy and Water Appropriations bill to eliminate this funding.

National Nuclear Security Administration (NNSA): The NNSA is appropriated \$11.362 billion, a level that is \$296 million below the President's budget request, \$155 million above the FY14 enacted level, and \$96 million above the level proposed by the House Appropriations Committee for FY14. The NNSA is a semi-autonomous agency within the U.S. Department of Energy that is charged with sustaining our nuclear weapons, maintaining naval nuclear reactors, and promoting nonproliferation efforts.

Weapons Activities: Within the NNSA, Weapons Activities is appropriated \$8.204 billion, a level that is \$111 million below the President's budget request, \$423 million above the FY14 enacted level, and \$529 million above the level proposed by the House Appropriations Committee for FY14. This account provides for the security, safety, and reliability of the U.S. nuclear weapons stockpile.

Defense Nuclear Nonproliferation: Within the NNSA, Defense Nuclear Nonproliferation is appropriated \$1.555 billion, a level that is equal to the President's budget request, \$399 million below the FY14 enacted level, and \$545 million below the level proposed by the House Appropriations Committee for FY14. This account supports efforts to prevent the spread of nuclear weapons.

Naval Reactors: Within the NNSA, Naval Reactors is appropriated \$1.215 billion, a level that is \$162 million below the President's budget request, \$120 million above the FY14 enacted level, and \$106 million above the level proposed by the House Appropriations Committee for FY14. This account supports the development, operations and maintenance, and disposal of nuclear propulsion systems for the Navy.

Defense Environmental Cleanup: The Defense Environmental Cleanup program is appropriated \$4.801 billion, a level that is \$63 million below the President's budget request, \$199 million above the FY14 enacted level, and \$51 million above the level proposed by the House Appropriations Committee for FY14. This program is responsible for the cleanup of contamination at sites where defense related nuclear research and production were carried out.

Power Marketing Administrations: The bill provides a total net appropriation of \$105 million for the four power marketing administrations (<u>Bonneville</u>, <u>Southeastern</u>, <u>Southwestern</u>, and <u>Western Area</u>), a level that is equal to the President's budget request, \$3 million below the FY14 enacted level, and \$3 million below the level proposed by the House Appropriations Committee for FY14. These power marketing administrations produce and sell hydroelectric power. The Southwestern and Western Area power administrations receive appropriated subsidies, while the Bonneville and Southeastern power administrations utilize offsetting collections and do not receive a net appropriation. Conservative groups have supported eliminating the power

marketing administrations, including <u>Cato</u>, <u>Citizens Against Government Waste</u>, <u>Heritage</u> and <u>National Taxpayers Union</u>.

Ceiling Fan Regulations: The bill includes a rider that prohibits the DOE from promulgating or enforcing new regulations on ceiling fans. Heritage Action supported an amendment offered by Rep. Blackburn to the FY14 Energy and Water Appropriations bill to include this prohibition.

Title IV: Independent Agencies

In thousands of dollars

FY14	FY14	FY15	FY15	FY15 vs	FY15 vs	FY15 vs
House	Enacted	President	House	FY14	FY14	President
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Level		Request	Level	House	Enacted	Request

The Independent Agencies funded by the bill are appropriated \$312 million, a level that is \$64 million above the President's budget request, \$47 million above the FY14 enacted level, and \$63 million above the level proposed by the House Appropriations Committee for FY14.

Regional Commissions: The bill provides a net total of \$106 million in appropriations to five regional commissions, a level that is \$15 million above the President's budget request, \$2 million below the FY14 enacted level, and \$15 million above the level proposed by the House Appropriations Committee for FY14.

A table showing the funding levels for the five regional commissions is below:

(Dollar figures in thousands)	FY15 House Level	Vs. FY14 House Proposed	Vs. FY14 Enacted	Vs. President Request
Appalachian Regional Commission (ARC)	\$80,317	+\$10,000	0	+\$12,117
Delta Regional Authority (DRA)	\$29,150	+\$681	0	-\$319
Denali Commission	\$12,000	+\$2,604	0	+\$2,604
Northern Border Regional Commission (NBRC)	\$3,000	+\$1,645	-\$2,000	0
Southeast Crescent Regional Commission	\$250	0	0	+\$250

The RSC Budget proposed eliminating the regional commissions, stating "The economic development programs are duplicative of other programs in the federal government and provide federal funding for *local* projects... These activities are more appropriately carried out by state and local governments." Several conservative organizations have supported eliminating these

commissions, including <u>Americans for Prosperity</u>, <u>Citizens Against Government Waste</u>, Heritage and <u>National Taxpayers Union</u>. <u>A majority</u> of the Republican Conference supported an amendment to the FY14 Energy and Water Appropriations bill to eliminate this funding.

<u>Unauthorized Appropriations:</u> The bill provides \$24.868 billion in appropriations for 23 programs that are not authorized. Seven unauthorized programs receive \$249.85 million in appropriations above their current FY14 enacted levels.

However, \$16.946 billion of the total unauthorized appropriations are for defense programs that would be authorized by the House-passed <u>H.R. 4435</u>, the Howard P. "Buck" McKeon National Defense Authorization Act for Fiscal Year 2015 to authorize these programs. Although the Senate has yet to act on this measure, the Congress has passed a NDAA in each of the last 52 years. Non-Defense programs make up \$7.9 billion of the total unauthorized amount.

Title of the Bill	Unauthorized Programs funded by the bill	Total Unauthorized Appropriations	Programs that Receive more than FY14 Enacted	Total Increases in Programs that Receive more than Enacted
Defense Programs	7	16,946,000	2	121,492
Non- Defense	16	7,922,303	5	128,358
Total	23	24,868,303	7	249,850

<u>Committee Action</u>: The House Appropriations Committee marked up and approved H.R. 4870 on <u>June 18, 2014</u>, by a voice vote. The Committee also held a number of <u>oversight hearings</u>.

<u>Does the Bill Contain Any Earmarks/Limited Tax Benefits/Limited Tariff Benefits?</u>: According the <u>Committee Report</u>, "Neither the bill nor the report contains any Congressional earmarks, limited tax benefits, or limited tariff benefits."

Constitutional Authority: "Congress has the power to enact this legislation pursuant to the following: The principal constitutional authority for this legislation is clause 7 of section 9 of article I of the Constitution of the United States (the appropriation power), which states: "No Money shall be drawn from the Treasury, but in Consequence of Appropriations made by Law. . .." In addition, clause 1 of section 8 of article I of the Constitution (the spending power) provides: "The Congress shall have the Power . . . to pay the Debts and provide for the common Defence and general Welfare of the United States. . . ." Together, these specific constitutional provisions establish the congressional power of the purse, granting Congress the authority to appropriate funds, to determine their purpose, amount, and period of availability, and to set forth terms and conditions governing their use."

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<u>NOTE</u>: RSC Legislative Bulletins are for informational purposes only and should not be taken as statements of support or opposition from the Republican Study Committee.