

TESTIMONY OF CLAY SELL
DEPUTY SECRETARY OF ENERGY
BEFORE THE
SUBCOMMITTEE ON INVESTIGATIONS AND OVERSIGHT
AND
SUBCOMMITTEE ON ENERGY AND ENVIRONMENT
COMMITTEE ON SCIENCE AND TECHNOLOGY
U.S. HOUSE OF REPRESENTATIVES
SAVANNAH RIVER ECOLOGY LABORATORY

August 1, 2007

Good Morning Chairman Miller, Chairman Lampson, and Members of the Committee. I appreciate this opportunity to come here today to help explain the Department of Energy's relationship with the Savannah River Ecology Laboratory...commonly known as SREL.

SREL was established on the grounds of the Federal government's Savannah River Site in 1951 by the University of Georgia using funding from the Department of Energy's predecessor agency, the Atomic Energy Commission. Since that time, and up until 2005, the Federal government provided non-competitive funding to support this University operated laboratory.

Two years ago, however, the circumstances changed.

In light of sound management principles, a tight budget atmosphere, and considering the necessity to balance National priorities while maximizing technical, scientific, and mission-driven return on the taxpayer dollar, the Department of Energy (DOE) made the decision to support a measured withdrawal of its direct funding support from the Savannah River Ecology Lab, while assisting its transition to a future of self-sustainability.

Subsequently, representatives from the Department of Energy, the University of Georgia, and interested Congressional offices met numerous times to discuss the Department's future funding contributions to the Lab. Those discussions concluded in May 2005 with an agreement that the Department would provide funds in the total of \$4 million for Fiscal Year 2006 and \$1 million for Fiscal Year 2007 in addition to any funds awarded through the competitive review process. Implicit in this agreement was the understanding that following FY'07, DOE would no longer provide guaranteed funding for the Laboratory. The Department's future funding engagement with the Laboratory would be limited to funding individual SREL projects based on the Department's mission need, merit of the proposals, and funding availability. Additionally, the University of Georgia committed that it would pursue project-by-project financing from other institutions, as well as DOE, in order to become self-sustaining and to wean itself from non-competitive Federal support.

It remains our collective hope and expectation that the agreement reached in 2005 would permit the Laboratory to operate - and even expand its horizons - as has been the case for the Savannah River National Laboratory which receives no guaranteed funding and has grown its budget to

nearly \$140 million annually by making its substantial R&D capabilities available to other government and private customers.

The Savannah River National Lab model is a successful one which we hoped to replicate by memorializing the May 2005 agreement with a formal Cooperative Agreement in December 2006. The formal December agreement was signed by the Department of Energy and the University of Georgia (I request your approval to submit a copy of this Agreement for the Record).

I should note that in the time frame following conclusion of the May 2005 agreement, but before it was memorialized in December 2006, SREL was provided information by our Savannah River Site Manager, Mr. Jeff Allison, to use \$4 million as a planning level for Fiscal Year 2007. At that time, Mr. Allison was uninformed of the terms of the May 2005 agreement. Upon learning those terms in October 2006, Mr. Allison corrected the record with the Laboratory.

In summary, we value the work done by the Savannah River Ecology Laboratory. It was the hope and expectation of the Secretary, me, and all involved, that the Laboratory would develop a plan to secure outside funding to become self-sustaining, as is the practice of other research institutions and as they themselves had committed to doing in both May 2005 and December 2006. Since that initial agreement, the Lab has had nearly two years to plan for the point at which DOE would no longer provide direct operational support on a non-competitive basis. It is unfortunate that the Savannah River Ecology Laboratory has been unable to do so and that the University has not responded with a plan for how they intend to transform the Lab into a

thriving, self-sustaining institution. We at the Department of Energy have kept and will continue to keep our commitments to this Lab under the terms of the Cooperative Agreement.

I am happy to answer your questions.