ENERGY AND WATER DEVELOPMENT APPROPRIATIONS FOR 2024

HEARINGS

BEFORE A

SUBCOMMITTEE OF THE

COMMITTEE ON APPROPRIATIONS

HOUSE OF REPRESENTATIVES

ONE HUNDRED EIGHTEENTH CONGRESS

FIRST SESSION

SUBCOMMITTEE ON ENERGY AND WATER DEVELOPMENT, AND RELATED AGENCIES

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PART 1

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ENERGY AND WATER DEVELOPMENT, AND RELATED AGENCIES APPROPRIATIONS FOR 2024

THURSDAY, MARCH 23, 2023.

U.S. DEPARTMENT OF ENERGY

WITNESS

HON. JENNIFER GRANHOLM, SECRETARY, U.S. DEPARTMENT OF ENERGY

Mr. FLEISCHMANN. Good morning, everyone. I am Chuck Fleischmann, and I am the new chair of the Energy and Water Subcommittee of Appropriations.

It is a tremendous privilege and honor to have Jennifer Granholm, our Secretary of Energy, before us today.

Madam Secretary, it is a pleasure to see you. Today, I look forward to discussing the Energy and Water Subcommittee's fiscal year 2024 budget with you on behalf of the Department of Energy.

Madam Secretary, you well know I strongly support the primary missions of your department.

Specifically, the Department of Energy, through the National Nuclear Security Administration, supports our Nation's defense through the maintenance of the nuclear weapons stockpile and through the support of the nuclear Navy.

Department of Energy, through the Office of Science, remains the Nation's largest supporter of basic research in the physical sciences.

Numerous offices are tasked with working to develop new and improve the existing technology in the energy sector in support of an all-of-the-above energy independence strategy.

The Department is responsible for the cleanup of the Nation's environmental legacy resulting from decades of nuclear weapons production and government-sponsored nuclear energy research.

So I was pleased to see strong funding for some of these missions in the fiscal 2024 budget request.

For example, the Weapons Activities account is increased, including an increase for the Uranium Processing Facility, which is located in my district in Oak Ridge, critical for enriched uranium operations needed to support the Nation's nuclear weapons stockpile.

Unfortunately, I am concerned about some of the priorities expressed in the budget request.

For instance, the administration has highlighted clean energy and climate change goals as key drivers of the budget request. Yet the nuclear energy program is cut by 12 percent below enacted.

Nuclear energy, a baseload carbon-free source of electricity, will be essential in achieving any climate change goals, so it is difficult to understand such a large cut, especially as other programs see double- and triple-digit increases.

A revitalized American nuclear industry also provides an additional energy export of geopolitical consequence, especially for countries seeking alternatives to Russian and Chinese entanglements. As such, I am particularly concerned that the nuclear energy budget includes only a modest increase for the Advanced Nuclear Fuel Availability Program, which is working to advance the availability of high-assay low-enriched uranium, or, as we all know it, HALEU, necessary for fueling the next generation of advanced reactors.

For the Office of Science, a program near and dear to my heart, the budget request proposes an increase of $700 million, or almost 9 percent. Yet that support pales in comparison to the $1.3 billion, or almost 40 percent, increase for energy efficiency and renewable energy activities. While I agree that both programs focus on important issues, I don't agree with the significant difference in relative priority found in the budget request.

In addition, I wanted to touch on the idea of nuclear waste recycling. This is an issue that has bipartisan supporters and detractors on both sides, and I would like to get the Secretary and the Department's thoughts on where you think we are going as a department and as a Nation in terms of reprocessing or recycling.

Secretary Granholm, I appreciate your being here today to explain your budget request. I look forward to working together with you and my colleagues on both sides of the aisle to move forward a budget that will strengthen our national security and advance our energy independence.

Please ensure that, for the hearing record today, questions for the record and any supporting information requested by the subcommittee are delivered in final form, please, to us no later than 4 weeks from the time that you receive them.

Members who have additional questions for the record will have until the close of business Monday to provide them to the subcommittee office.

With that point of privilege, Madam Secretary, I have had the privilege of being an appropriator for now over a decade, and I have served on this wonderful subcommittee for quite some time. I have had the privilege of working with my dear friend and colleague from Ohio in capacity as ranking member and as chair of this committee, and, as we all well know, Ms. Kaptur, Congresswoman Kaptur, has the great distinction of being the longest-serving woman in congressional history.

So, with that, I yield to my friend and colleague, the ranking member.

Ms. KAPTUR. Thank you, Chairman Fleischmann. Let's just hope that with the tenure has come some good for the country. And thank you very much. I love this subcommittee.

I am looking forward to working with you, Chairman Fleischmann, in your new role as chairman of this distinguished subcommittee, and particularly not just because of your intelligence but because you support Minor League Baseball. And even you and your staff, your lead staff, know where the Detroit Tigers play and

the minor league, the Mud Hens from Toledo, Ohio. So we have to put in a plug for them. I know that this highly capable subcommittee under your leadership will provide great progress for America.

Thank you, Secretary Granholm, for joining us today. I am so grateful. You not only distinguish yourself as a transformational Secretary of Energy, but your presence at the Department of Energy provides real knowledge of the Great Lakes region so vital to America's future.

And during this Women's History Month, I have to acknowledge you are the second woman in the history of our country to be Secretary of Energy. That is quite an achievement. And we thank you for giving your years to public service.

The Department of Energy's budget request is paramount to ensure America's energy independence, because energy security is national security. And the United States of America has learned that the hard way.

Putin's war of aggression against Ukraine crystalizes how essential a comprehensive energy strategy is to our Nation, to our economy, to our national security, and to global stability. With Russia weaponizing energy to destabilize global markets such as Europe's, it is clear that America needs to innovate. We even have to be stronger than we are today, not allowing foreign adversaries to disrupt our way of life.

Over the last 40 years, every time we went into a recession, gas prices rose over $4 a gallon. That tells us something. But America has made remarkable progress on energy independence. We have continually strengthened our net energy position and have achieved real results in pulling out of the nosedive of foreign dependency.

Over the last few years, our Nation has produced record amounts of oil and gas, and we are indeed now a net energy exporter. But in this 21st century, America needs to continue harnessing new sustainable energy sources that weren't a focus of previous eras or previous administrations. We have to make more progress.

I am so privileged to witness how Americans in every corner of our country are inventing our way forward, one energy patent at a time. And I am proud to represent the finest domestic solar manufacturers in our country, not importing components from Asia but making them right here at home—First Solar and Toledo Solar in my region.

The Department of Energy is responsible for addressing the most pressing energy, environmental, and nuclear security issues of our time. The Department's pioneering investments in science, technology, and applied systems are unparalleled. Science and political commitment have led to breakthroughs that were never even thought possible.

Funding for the Department of Energy is crucial to supporting initiatives that enhance energy security and energy independence by reducing American dependence on foreign adversaries; to develop cutting-edge technologies to save Americans money and expand our global competitiveness in energy; to tackle the climate crisis while growing the economy and supporting good-paying jobs; and responsibly stewarding the Nation's nuclear deterrent while assuring nuclear nonproliferation.

Significant Federal investments included in the bipartisan Infrastructure Investment and Jobs Act and the Inflation Reduction Act are helping us make real progress, but now is not the time to take our foot off the pedal. We need to make more progress for America by sustaining investment in new energy technologies and advancing world-class research, such as hydrogen and fusion and advanced nuclear, that unlock our full scientific potential.

And, frankly, personally, I am interested in the agricultural miracle that will provide the least BTU input for the maximum BTU output on agricultural fields across this country. We still don't have that.

This budget request proposes necessary investments to continue innovations that will further push the energy revolution the American people need. The United States, as a global energy leader, must not rely on foreign energy sources; we must stand on our own two feet.

Progress requires attention across the board, from basic research to energy efficiency and better using our resources to develop new clean-energy technologies, including thermal recapture in places we haven't even recognized before, and to harden the electric grid against disasters and cyber threats.

This budget request makes a serious investment in the Department of Energy's growing efforts to "meet the streets," especially through its State and community energy programs.

And, Madam Secretary, I thank you for that. We have a long way to go, but the Department has begun under your leadership.

I know what a challenge this will be, but achieving progress depends on engaging people and communities in new opportunities for energy breakthroughs. The tools that DOE can provide will not only help us lower our energy costs but create thousands of new good-paying jobs, cut pollution, and make us more energy-secure.

America has always been a frontier Nation. We have ventured where others dared not imagined nor had the will to pursue or persevere. Meeting America's new energy future is embedded in our Nation's DNA. Our generation must advance America's full potential to meet the challenge of a new day.

With that, I close my remarks, and I look forward to discussing this request. Thank you all very much.

I yield back.

Mr. FLEISCHMANN. Thank you, Ranking Member Kaptur.

Good morning again, Madam Secretary. I am going to ask questions—oh, I am sorry. Madam Secretary, it is your turn. A little faux pas on my part. I would ask you to please make your opening statement. And I welcome you again.

Secretary GRANHOLM. Thank you so much. Delighted to be here. Chairman Fleischmann, Ranking Member Kaptur, and members of the subcommittee, honored to be able to discuss with you today the President's latest budget request for the Department of Energy.

Over the past 2 years, it has really been my privilege to lead the Department in many of our Nation's biggest needs, from deepening our energy security and reshoring supply chains and manufacturing, to strengthening our innovative capacity through cutting-edge research and development, to maintaining that strong nuclear deterrent. We have taken critical steps to ensure that the United

States can outmaneuver aggressors, outcompete our rivals, and create new jobs and opportunities for our people.

The President's budget request for 2024 will empower us to drive these efforts forward even in the face of emerging challenges. Russia's barbaric war on Ukraine has triggered a reckoning over energy security risks inherent in overreliance on any one source of energy. Vladimir Putin's weaponization of fossil fuel supplies has injected extreme volatility into global markets, and this vulnerability has burdened working people in the United States with higher energy costs.

So, in response, we are pursuing a strategy of energy diversity. In addition to our fossil energy, we now have the means to tap an assortment of abundant new clean-energy sources, many of which already boast affordability advantages over fossil fuels.

Congress's efforts have made the United States the world's most attractive destination for investment in new energy, and this Department is working to help American businesses capitalize on this moment. We are backing large-scale deployment of cost-competitive clean technologies—solar, wind, electric vehicle, storage—and we are moving to fund demonstration of next-generation sources like clean hydrogen, advanced nuclear, carbon capture. And, at the same time, we are engaging in a long-overdue effort to establish supply chains for these technologies here at home so that no adversaries will be able to threaten our access to energy.

This is all to the great benefit of the American worker. In the last 2 years, government and private sector have announced plans to invest nearly $100 billion in our domestic battery, solar, and wind supply chains. These investments will support thousands and thousands of new jobs.

Still, we know that this strategy of energy diversity depends on continuous innovation. The more we can improve performance and reduce the cost of these technologies, the faster we can deploy them, the lower the bills will be for American families.

And that is why this budget calls for significant investment in programs within our Office of Energy Efficiency and Renewable Energy, which oversees applied research and development for the widest range of energy sources of all of our program offices.

It also expands funding for our Office of Science. Among other things, it would allow us to ramp up our isotope production, which is critical to both economic competitiveness and defense and health. It also includes over a billion dollars for fusion research, which would further our work to harness fusion's tremendous potential.

Along with energy security, this budget prioritizes DOE's national security responsibilities with a record appropriation for our NNSA, our National Nuclear Security Administration. Today's changing international environment makes our nuclear deterrent paramount to our national defense and to the security of our allies.

The President's request would give the NNSA the means to modernize the infrastructure for our nuclear program, and it would advance NNSA's wider priorities around arms control and nuclear nonproliferation, counterterrorism, and the safe use of civil nuclear power.

The Department has been able to make real progress in these matters, thanks to the bipartisan assistance we have received from

Congress, but there is more work ahead. Our ability to tackle it depends on your continued support.

I believe the President's budget for fiscal year 2024 will allow us to shore up our energy security and our national security while reinforcing efforts to implement Congress' legislative actions as quickly and effectively as possible. I am eager to shed light on the prudent reasoning behind this proposal.

So thank you for the opportunity to address you, and I look forward to your questions.

[The information follows:]

Testimony of Secretary Jennifer M. Granholm

U.S. Department of Energy

Before the

U.S. House Committee on Appropriations
Subcommittee on Energy and Water Development

March 23, 2023

Chairman Fleischmann, Ranking Member Kaptur, and Members of the Committee, it is an honor to appear before you today to discuss the President's Fiscal Year (FY) 2024 Budget request for the Department of Energy ("the Department" or "DOE").

Serving the American people as the 16th Secretary of Energy, I am entrusted with the awesome responsibility to lead a highly talented DOE workforce. I am continuously amazed by their steadfast dedication to our mission and the innovative solutions they bring to some of our nation's most pressing problems. As a result of their tireless efforts, the Department has made significant strides in ensuring America's security and prosperity by addressing our energy, environmental, and nuclear security challenges through transformative science and technology solutions.

Together, we have advanced the energy, economic, and national security of the United States. We are cementing America's place as a trailblazer in the clean energy economy of the future and a leader in the fight against the climate crisis. The scientists and engineers at our National Laboratories, the crown jewels of the nation's research and innovation ecosystem, are paving the way for major scientific breakthroughs that will have an immeasurable impact on the world we live in. Through funding opportunities and in collaboration with States, Tribal nations, institutions of higher education, and local governments around the country, we are helping to

create thousands of good-paying jobs in fields that are critical to the success of the American economy.

The National Nuclear Security Administration (NNSA) does extraordinary work to maintain a safe, secure, reliable, and effective nuclear deterrent, reduce global nuclear threats, and provide our naval fleet with militarily effective nuclear propulsion. It has undertaken a needed modernization of our nuclear arsenal and the infrastructure used for production and science. These new capabilities will position us to execute our challenging missions well into the future. Working closely with allies and partners, the International Atomic Energy Agency (IAEA), and the interagency, NNSA has provided significant support to reduce nuclear risks to Ukraine and the surrounding region since the beginning of Russia's further invasion of Ukraine over one year ago.

The Department is committed to advancing this Administration's energy, climate, and nuclear security and nonproliferation goals. I want to thank Congress for the ongoing, bipartisan support for the Department of Energy and I look forward to working closely with the Committee as you consider the FY 2024 Budget for DOE.

Budget Topline

DOE's FY 2024 Budget Request is $51.99 billion, an increase of $6 billion (13.6%) over the FY 2023 enacted level. The Budget addresses some of the critical opportunities we face, making historic investments in cutting-edge research at National Laboratories, strengthening the Nation's nuclear security enterprise, creating jobs, reducing health and environmental hazards for at-risk communities, and strengthening the cybersecurity and resilience of the energy sector, including advancing critical climate goals. This is urgent work DOE is uniquely prepared to continue.

Making Historic Investments in Cutting-Edge Research at National Laboratories and Universities

Within the historic investment of $23.8 billion for NNSA, funding builds on cutting edge science for NNSA's laboratories to contribute beyond the enduring nuclear missions. For example, the FY 2024 Budget Request includes funding to recapitalize radiation and major environmental test facilities at Sandia National Laboratories used to design and qualify Non-Nuclear Capabilities; and prioritizes the High Explosives Science and Engineering facility at Pantex, including capital equipment purchases, construction, and transition to operate.

The FY 2024 Budget Request will also continue funding maturation of next-generation simulation and computing technologies. Additionally, El Capitan, the first exascale computer for national security, is expected to come online at Lawrence Livermore National Laboratory this year. At over two exaflops it will, for a time, be the world's most powerful supercomputer.

The Budget also provides $8.8 billion for the Office of Science, advancing toward the authorized level in the CHIPS and Science Act to support cutting-edge research at the DOE National Laboratories and the Department's university partners, and to build and operate world-class scientific user facilities.

The Office of Science is uniquely positioned within the federal R&D structure to capitalize on these investments *today* to enhance our nation's innovation capabilities and expand to harness its full research potential from this baseline. This level of funding would support critical advancements in emerging technologies like Quantum Information Science, Artificial Intelligence, and the potential of nuclear fusion. These are all promising game changing technologies for which the National Labs already have strong programs and user facilities.

Within funding for Science, the Budget provides: over $1 billion to achieve fusion on the decadal timescale; provides new computing insight through quantum information science and artificial intelligence that addresses scientific and environmental challenges; expands innovation in the microelectronics ecosystem; leverages data, analytics, and computational infrastructure to strengthen and support U.S. biodefense and pandemic preparedness strategies and plans; furthers the Nation's understanding of climate change; and positions the United States to meet the demand for isotopes.

Finally, the Budget proposes $35 million in the Office of Energy Efficiency and Renewable Energy to initiate planning, outreach, and proposal solicitation for a new national laboratory at a Historically Black College and University, Tribal College and University, or Minority Serving Institution. This 18th national lab is expected to focus on a just and equitable transition for all communities and advancing diversity in the STEM workforce; the lab's expected work will be relevant to EERE's mission given its long history of supporting place-based analytical work, research and development, and community engagement and investment in disadvantaged and marginalized communities.

Creating Jobs Building Clean Energy Infrastructure

The Budget invests nearly $1.2 billion to support clean energy workforce and infrastructure projects across the Nation, including $425 million to weatherize and retrofit low-income homes, $83 million to electrify tribal homes and transition tribal colleges and universities to renewable energy, and $107 million for the Grid Deployment Office to support utilities and State and local governments in building a grid that is more reliable and resilient and that integrates accelerating levels of renewable energy. The newly established Office of State and Community Energy Programs will launch a new Energy Burden Reduction Pilot with $50 million to retrofit low-income homes with efficient electrical appliances and systems. These investments, which complement and build upon the extraordinary funding in the Infrastructure Investment and Jobs Act (IIJA) and Inflation Reduction Act (IRA), will create good-paying jobs while driving progress toward the Administration's climate goals, including carbon pollution-free electricity by 2035.

Advancing Energy Innovation

To support U.S. preeminence in developing innovative technologies that accelerate the transition to a clean energy economy, the Budget invests $9.4 billion, an increase of more than 19.7 percent over the 2023 enacted level of $7.8 billion, in DOE clean energy research, development, and demonstration. These investments would improve clean power technologies, strengthen clean

energy-enabling transmission and distribution systems, decarbonize transportation, advance carbon management technologies, and improve energy efficiency in industry and buildings. This funding would also leverage the tremendous innovation capacity of the National Laboratories, universities, and entrepreneurs to transform America's power, transportation, buildings, and industrial sectors.

Accelerating Industrial Decarbonization

Across the more than $1.2 billion in discretionary DOE industrial decarbonization activities, the Budget reflects the importance of strategically supporting U.S. industrial decarbonization through innovation, targeted investment, and technical assistance. The Budget supports an across-DOE Industrial Technologies joint strategy team to drive adoption of industrial decarbonization solutions including through the Office of Manufacturing and Energy Supply Chains. It also supports expanded research and development efforts in the Office of Energy Efficiency and Renewable Energy's Industrial Efficiency and Decarbonization Office. Within the $1.2 billion mentioned above, the Budget includes $160 million for the Office of Clean Energy Demonstrations to support at least two large-scale industrial decarbonization projects.

Strengthening Domestic and International Clean Energy Supply Chains

The Budget includes a $75 million investment to launch a Global Clean Energy Manufacturing effort within the Office of Manufacturing and Energy Supply Chains that would build resilient supply chains for energy sector components critical to national and energy security through engagement with allies, enabling an effective global response to the climate crisis while creating economic opportunities for the United States to support the global clean technology market.

In addition, the Administration supports the use of the Defense Production Act at DOE to support rebuilding domestic uranium production and enrichment capacity to establish a secure supply for the Nation's current and future nuclear fleet and also to reduce reliance on foreign supplies of uranium, as well as other clean energy technologies to ensure robust supply chains for electrical transformers and other critical grid components. The Budget also includes $75

million in the Office of Manufacturing and Energy Supply Chains for DOE to carry out the President's recent determinations under the Defense Production Act.

Reduces Health and Environmental Hazards for At-Risk Communities

The Budget includes $8.3 billion for the Environmental Management program and reflects this Administration's strong commitment to clean up and protect communities that supported defense production programs and government-sponsored nuclear energy research. As the largest environmental cleanup program in the world, Environmental Management plays a key role in cleaning the environment, contributing to national security priorities, investing in the future and aiding community efforts to build strong economies, growing jobs, and preparing for a clean energy future. This investment will enable the Department of Energy to treat radioactive tank waste, take down contaminated buildings, and ship and dispose legacy waste and clean soil and groundwater across Environmental Management sites.

The Budget includes broad support for underserved communities, including $70 million for Community Capacity Building Initiatives in the Office of Environmental Management and NNSA, to address areas of persistent poverty around the Department's sites.

The Budget also includes $196 million for the Office of Legacy Management to protect human health and the environment by providing long-term management solutions at over 100 World War II and Cold War era sites where the federal government operated, researched, produced, and tested nuclear weapons and/or conducted scientific and engineering research.

Strengthening the Cybersecurity and Resilience of the Energy Sector

The Budget provides $245 million for the Office of Cybersecurity, Energy Security, and Emergency Response to enhance the security of energy technologies and the energy supply chain. The Budget supports increased assistance to States, local governments, Tribes, and Territories for emergency planning and preparation, including for events caused by the impacts of climate change. An additional $301 million is provided for the Strategic Petroleum Reserve,

including $49.8 million in additional funding for the Major Maintenance Program for required upgrades to the West Hackberry Physical Security Program.

Strengthening the Nation's Nuclear Security Enterprise

The Budget makes a historic investment of $23.8 billion for the Nation's nuclear security enterprise to implement the integrated deterrent described in the President's Nuclear Security Strategy, the National Defense Strategy, and the accompanying Nuclear Posture Review (NPR) through support for a safe, secure, reliable, and effective nuclear stockpile combined with nuclear nonproliferation, arms control, and counterterrorism. In addition, the Budget continues robust, executable funding for the recapitalization of NNSA's physical infrastructure, including essential scientific and production facilities to ensure the deterrent remains viable without underground explosive nuclear testing.

NNSA has a broad and complex array of priorities that reflect its expanded mission and the necessity to adapt in today's changing international environment. Our nuclear deterrent remains the cornerstone of our national defense and an assurance for our allies around the globe. NNSA is currently undertaking five warhead modernization programs and a major infrastructure revitalization effort. Once complete, NNSA's modernized infrastructure will enable us to maintain a safe, secure, and reliable stockpile in the face of a wide array of challenges.

Simultaneously, NNSA is continuing progress on its nuclear security, nonproliferation, and counterterrorism efforts. These critical programs ensure that we are aligned with our allies and partners to prevent an arms race, advance global stability, thwart state and non-state actors from acquiring nuclear weapons capabilities, and enhance U.S. and global security.

Stockpile Management

The Budget proposes $5.2 billion in FY 2024 for Stockpile Management to maintain a safe, secure, reliable, and effective nuclear deterrent through five areas that directly support the Nation's nuclear weapons stockpile: stockpile major modernization, stockpile sustainment, weapons dismantlement and disposition, production operations, and nuclear enterprise

assurance. The Budget incorporates $3.1 billion for five major modernization programs that extend the lifetime of the Nation's nuclear stockpile, enhancing security and safety features, and meet modern deterrence needs.

Production Modernization

The Budget includes $5.6 billion for Production Modernization to support modernizing the facilities, infrastructure, and equipment that produce materials and components to meet stockpile requirements and maintain the Nation's nuclear deterrent. The program encompasses five components critical to weapon performance and sustainment of the Nation's nuclear weapons stockpile: primary capability modernization, secondary capability modernization, tritium and domestic uranium enrichment, non-nuclear component modernization, and capability-based investments. The Budget includes $2.8 billion to reestablish the Nation's capability to produce 80 plutonium pits per year as close to 2030 as possible and continue ongoing plutonium operations at Los Alamos National Laboratory.

Stockpile Research, Technology and Engineering

The Budget incorporates $3.2 billion for Stockpile Research, Technology, and Engineering to provide the scientific foundation for stockpile decisions and actions; develop the expert personnel required to support the current and future stockpile; and provide the capabilities, tools, and components needed to support all missions. The funding includes $1 billion in assessment sciences, which funds experiments focused on design and production requirements, continues the implementation of the Enhanced Capabilities for Subcritical Experiments (ECSE) subprogram, and $782 million for Advanced Simulation and Computing, which is preparing for NNSA's first exascale high-performance computing capability.

Infrastructure and Operations

The Budget proposes $2.8 billion for Infrastructure and Operations to maintain, operate, and modernize NNSA infrastructure in a safe and secure manner that supports program execution while maximizing return on investment and reducing enterprise risk. Of this amount, $650 million is included for infrastructure recapitalization to improve the condition and extend the design life of structures, capabilities, and systems to meet program demands; reduce future

operating costs by replacing older facilities with new, more efficient facilities; and reduce safety, security, environment, and program risk. The budget includes funding for the initial phase of the Kansas City Non-nuclear Expansion Transformation (KC NExT), a multi-year effort to increase manufacturing capacity to support the nuclear modernization program. The budget also includes $718 million in Maintenance and Repair for predictive, preventive, and corrective maintenance activities to maintain facilities, property, assets, systems, roads, and vital safety systems.

Restoring American Leadership in Arms Control and Nonproliferation

The Budget includes $2.5 billion for NNSA to reduce nuclear risks and counter the global challenge of nuclear proliferation. As called for in the National Security Strategy, the Budget funds nonproliferation and nuclear risk reduction-related activities across NNSA's Defense Nuclear Nonproliferation, Emergency Operations, and Counterterrorism and Counterproliferation programs, including programs to strengthen the Nation's capability to prevent, counter and respond to nuclear incidents at home and abroad. For the first time in our history, we face two near-peer nuclear powers in Russia and the People's Republic of China (PRC) as well as the expanding nuclear programs of North Korea and Iran. Moreover, Russia's war in Ukraine, nuclear saber rattling, and recent suspension of the New START Treaty are challenging the fundamental framework and principles of the nuclear security and nonproliferation regimes at a time when peaceful uses of nuclear energy are needed more than ever to address critical climate priorities. NNSA is investing in strategic stability, nonproliferation, nuclear and emergency preparedness measures–which are even more important during times such as these when tensions are high, miscalculation is possible, and strategic competition is escalating. This Budget also supports the research and development of next-generation detection, monitoring and verification tools needed to implement high priority efforts, including elements of the Australia-United Kingdom-United States (AUKUS) partnership, and prevent strategic surprise, supports activities with Ukrainian and regional partners associated with radiological and nuclear security, expands efforts in safeguards and security for new advanced nuclear power reactors, and builds on the bioassurance efforts started in FY 2023.

Powering the Nuclear Navy

The Budget includes $1.96 billion for DOE's Naval Nuclear Propulsion Program to ensure safe and reliable operation of reactor plants in nuclear-powered submarines and aircraft carriers. The Budget prioritizes investments in research and development to maintain American dominance while continuing to support improvements to the Naval Nuclear Laboratory infrastructure. This includes long lead-time technology development for the future nuclear fleet, with support for the U.S. Navy's timeline for the next-generation attack submarine.

Supporting Other Defense Activities

The Budget provides $1.1 billion to support defense activities conducted by the Department including Legacy Management (LM), Environment, Health, Safety and Security, Enterprise Assessments, Specialized Security Activities, Hearings and Appeals, and Defense Related Administrative Support (DRAS). DRAS offsets administrative expenses for work supporting defense-oriented activities in Departmental Administration.

Administration and Oversight

Energy Information Agency

The Budget includes $156.6 million for the Energy Information Agency (EIA) to enable EIA to continue delivering the critical energy information products on which its stakeholders rely, including weekly petroleum and natural gas inventory reports, comprehensive monthly forecasts of energy markets, and long-term outlooks for U.S. and global energy production and consumption.

Office of Technology Transitions

The Budget includes $56.6 million to focus on commercialization of promising technologies. This includes funding the Energy Program for Innovation Clusters (EPIC) to encourage growth of regional energy innovation ecosystems, training National Laboratory scientists and engineers on customer outreach and partnership through the private sector through Energy I-Corps, supporting an Energy Tech University prize, supporting market and commercialization analytics, and coordinating tech transfer. Funding is also included within the

Budget for the Foundation for Energy Security and Innovation to accelerate the commercialization of new and existing energy technologies by raising and investing funds through engagements with the private sector and philanthropic communities.

Departmental Administration

The Budget includes $433.5 million for Departmental Administration to fund management and mission support organizations that have enterprise-wide responsibility for international engagement and promotion of global market opportunities, administration, accounting, budgeting, contract and project management, human resources, congressional and intergovernmental liaison, energy policy, information management, life-cycle asset management, legal services, workforce diversity and equal employment opportunity, ombudsman services, small business advocacy, sustainability, and public affairs. In FY 2024 the Budget funds new statistical and trend analysis capabilities within the Office of Policy, with support from the Energy Information Agency.

Office of the Inspector General

The Budget includes $165.2 million in discretionary authority. Also, the Office of the Inspector General would receive funding within the Administration's proposed $150 million in mandatory funding.

Conclusion

I want to again thank the Committee for its ongoing and bipartisan support for the DOE mission.

Thank you for the opportunity to be here today. I am happy to answer your questions.

Mr. FLEISCHMANN. Thank you, Madam Secretary.

I am going to begin with asking 5 minutes' worth of questions, and then, of course, I will yield to the ranking member, and then we will proceed across the dais.

Madam Secretary, as you know, I represent the Oak Ridge Reservation in my district. It is about $7.4 billion worth of annual Federal investment. My highest priority there right now is the Uranium Processing Facility, the UPF, which will replace enriched-uranium facilities dating back to the Manhattan Project at Y–12, which actually still continues to operate.

Several NNSA Administrators have testified under oath prior to you that the Uranium Processing Facility would be constructed for about $6.5 billion. And now it appears that the budget request—that the UPF will be rebaselined between $8 billion and $8.5 billion due to schedule slippages. And I saw the mark of, I believe, $760 million in the budget, in the President's budget.

My question is, will a new baseline be established? And is there any scope being taken out of the UPF project as a result of the rebaselining?

And the fiscal year 2024 budget does include the significant increases I have alluded to. Is the budget request adequate to ensure the project gets on track? In short, do we need more on money?

And what measures is the Department implementing to manage costs and schedule?

Secretary GRANHOLM. Yeah. Thank you for this question. UPF is extremely important, and it was recently rebaselined. So, the last year, as you noted, it was $6.5 billion. This is projecting out over 10 years. It is now $8.6 billion to $8.9 billion. That is the rebaselining. And there is an estimated delay associated with that.

Part of the challenge, as every business in the country has experienced, is a labor challenge. And so, for example, we have approximately 3,000 people on site every day. We need 3,500. And that has caused delays, and, of course, delays also contribute to supply-chain crunches as well.

So the new estimates contain significant margin and contingency allowances, and they are based on labor productivity that has now been measured at UPF.

So procurements are complete, so we are past the initial supply-chain crunches that were plaguing us before, so this meets the requirements. And we have an excellent oversight initiative at, as you know, the—our efforts to be able to manage things under our defense spending has been very, very aggressive, but some of these contingencies are outside of our control.

Mr. FLEISCHMANN. Thank you.

My next question deals with the Lithium Processing Facility, which will be, of course, at Oak Ridge.

Secretary GRANHOLM. Uh-huh.

Mr. FLEISCHMANN. Madam Secretary, the NNSA has reportedly adopted a strategy of focusing resources on a reduced number of high-priority projects within its production modernization portfolio while decreasing the resources allocated to other projects.

How did the NNSA prioritize the selection of production modernization projects over others? I am particularly interested in understanding why the lithium production facility at Y–12 was cut

below not only the 2023 fiscal level but significantly below the 2024 need.

Secretary GRANHOLM. Right. So the 2023 enacted was $216 million, and then the request here is $210 million, so it was cut about $10 million.

Part of this is the effort to prioritize the areas of greatest need right now, and the UPF was seen as an important priority in that. However, we will be back to you in 2025, where we are projected to be requesting about $280 million.

So there is a—part of the decision here was, because of these workforce issues, to prioritize workforce on UPF. And we will be back to the—obviously, there is still a significant amount of work that is going to be done, but we have decided to prioritize UPF.

Mr. FLEISCHMANN. Thank you.

My last question in this round will focus on isotopes, reliance on foreign suppliers for isotopes.

So that everyone understands, at ORNL, critical isotopes—medical, defense, for science—we produce some of the only critical isotopes in the world outside of Russia. With the Russian invasion of Ukraine, that has exposed numerous supply-chain disruptions across many industrial sectors. Isotopes are critically important to the United States of America and to the West, and we do not want to be dependent on Russia for anything.

How will the Department address the reliance on foreign suppliers, especially Russia, in the meantime?

And, obviously, the HFIR facility at Oak Ridge is stellar—the hot cells research. That is where we make the isotopes.

Madam Secretary, how do you plan to address this?

Secretary GRANHOLM. Yeah, it is a really important question. This is an issue that we are experiencing in supply chains all across when Russia has a monopoly on a particular supply.

So this budget represents a 58-percent increase in the isotope budget, because we want to be able to build out these facilities. The stable isotope production and cancer research line sees that 58-percent increase, and that goes to the Radioisotope Processing Facility at ORNL, as you said, the critical alpha radiopharmaceutical facility at Brookhaven National Lab, and SIPRC as well. So all of those will see an increase.

The issue is, we have to move quickly, because there are not other alternatives. And this is why it is so important that we continue our effort to build supply chains for everything that we need, you know, both in our national defense as well as in energy in the United States. And this is going to—this is a priority.

Mr. FLEISCHMANN. Thank you, Madam Secretary.

At this point in time, I would like to recognize the distinguished ranking member, Ms. Kaptur, for 5 minutes of questions.

Ms. KAPTUR. Thank you, Mr. Chairman.

Madam Secretary, in the past, sometimes Federal incentives for American progress fail to reach communities where deindustrialization has hit hard, especially in manufacturing America.

My question is, I have read about your "meet the streets" approach. In view of the passage of the historic Infrastructure Act and the Inflation Reduction Act, can you give us some sense of how

you are thinking of working cross-agency to engage places that truly have been left behind?

All the economic statistics show it. You represented one of those places yourself, as Governor of the State of Michigan, so you have seen close up what many that serve here have never had to deal with.

So I am just wondering how the administration is thinking about working with the private sector with places that have been left behind, that have been left diminished in some ways, because they don't have the ability of other regions to compete. Could you discuss that?

Secretary GRANHOLM. Yeah. That ability to be compete is very important, and it means that we have to be providing technical assistance to these communities and making our own processes easier to navigate so that communities can apply.

So there are several things that are happening. With both the Bipartisan Infrastructure Law and the Inflation Reduction Act, there has been a significant number of legislative efforts to try to steer funding to areas that have been left behind, whether they are former fossil communities, whether they are disadvantaged communities, whether they are former manufacturing communities.

And so, in order to be able to focus our efforts, we have created an Office, under our new Under Secretary for Infrastructure, of State and Community Energy Programs. And that particular office is going to be focused on offering technical assistance.

It is a $16 billion initiative that Congress has given us to be able to focus on communities that have been struggling. They may be rural communities. They may be small communities that don't have the ability. They may be Tribal communities. But the bottom line is, the benefits of this clean-energy economy, the goal is that it is able to be distributed to all communities, in every pocket of the country.

There are a couple of things that are relevant to this: the increase in the Energy Efficiency Conservation Block Grant Program. That is run through our State and Community Energy Programs. Obviously, you and I have talked about meeting the street on weatherization. That increase will be run through the State and Community Energy Office. The Local Government Energy Program. The Interagency Working Group on Coal and Power Plant Communities, which really focuses a lot on communities, not necessarily Toledo but in, like, Appalachia, and regional efforts.

And one of the things that I am most enthusiastic about is something that we call Clean Energy to Communities, which is an effort to try to give communities the ability to roadmap their future if they decide they want to be energy powerhouses themselves.

So, for example, a couple of years ago, Los Angeles engaged NREL to do something called LA100. It was a technical roadmap to see how Los Angeles—big city, obviously—but how Los Angeles could get to their goal of getting to 100 percent clean electricity by their goal, which I think was 2035. And you have to look at their assets, you have to look at their uniqueness.

They are taking that tool that they created for Los Angeles and opening it up to small communities across the country, so that if a community chooses to go in this direction, the technical assist-

ance from our labs will be there to be able to offer to those communities.

So these are the kinds of things we are thinking about. We have done some smaller programs, we have done some larger programs, but we all want to get especially to the communities that have been left behind.

Ms. KAPTUR. Thank you very much. I didn't know about that.

Secretary GRANHOLM. Well, I can provide you with more information, too, after, if you are interested in more detail.

Ms. KAPTUR. We sure are. Thank you so much.

And my second question—and then I will wait for the second round. Can you give two concrete examples of how cutting the Department of Energy's budget back to last year's levels will impact working-class Americans and national security?

Secretary GRANHOLM. Do you want me to answer this, or did you want me to wait? You said—you were—I have time? All right.

Mr. FLEISCHMANN. I would be glad to yield.

Secretary GRANHOLM. Okay.

So, I mean, obviously, this will cut across the board, if we ended up capping at last year's levels.

But, for example, research at the Office of Science and the National Labs would be reduced about $700 million, leading to a cut of about 5,200 scientists.

It would delay all NNSA major construction projects by at least a year, increasing, obviously, operational risks and the likelihood of cost increases if we stop.

The W93 and the W87–1 warhead modernization programs would be delayed 1 to 2 years, with significant risks for the aging U.S. stockpile.

Ms. KAPTUR. Thank you very much for that.

We stayed within the time, Mr. Chairman, I think.

Mr. FLEISCHMANN. Thank you.

And I thank the ranking member.

At this time, I would like to recognize Mr. Dan Newhouse from the great Washington State, who represents the Hanford DOE Reservation.

Mr. Newhouse, you are recognized to ask questions for 5 minutes, sir.

Mr. NEWHOUSE. Thank you, Mr. Chairman. Thank you very much.

Thank you, Secretary Granholm, for being here to discuss your agency's 2024 proposed budget. It is very important. And thank you for coming out to the State of Washington last fall.

Secretary GRANHOLM. You bet.

Mr. NEWHOUSE. Appreciate your interest in learning more about the important things we are doing out there.

Lots of things to ask you about and limited time, but a couple rounds, I am guessing, hoping, we will have.

But let me ask you something that I have been getting a tremendous amount of calls from constituents on, if I could, first. And it is something I have been concerned with, and it has to do with—you know, you can probably anticipate—gas stovetops.

Secretary GRANHOLM. Hmm.

Mr. NEWHOUSE. Certainly, I am concerned with DOE's recent action regarding the conservation standards for gas stovetops, to see that the proposed rule would require performance standards.

Literally, 96 percent of tested residential gas stovetops would be out of compliance with the new proposed draft rules, effectively, I think, making utilization of gas out of the question for most consumers. In fact, the switching, having to make changes in households to go to another source of power would be tremendously expensive.

And, also, to mention that I think, if I understand right—maybe you know this better than I do—over 90 percent of commercial restaurants utilize gas in their preparation for food.

So just a question and an opportunity for you to enlighten us and clarify the agency's position on this. Why has DOE initiated this energy performance standard rulemaking for residential gas stoves at this point? How can the agency justify a standard that essentially would drastically limit consumers' choices as it relates to gas? And do you intend to engage with manufacturers, with retailers to understand the impacts that this will have on consumers?

Secretary GRANHOLM. Yeah.

Mr. NEWHOUSE. I would just love some enlightenment on that.

Secretary GRANHOLM. Great. Thanks so much for the opportunity to respond, because there has been an awful lot of misinformation that has been floating around about this.

First of all, the Department of Energy conducts energy-efficiency requirements, regulations on about——

Mr. NEWHOUSE. Sure.

Secretary GRANHOLM [continuing]. 60 different programs. Stovetops are one of them, not just gas but electric stovetops. We do so because Congress has required us to do this. The gas stovetop was—particularly the timeframe on it was due to a consent decree. So we are just following the schedule that we have been asked to follow, number one.

Number two, the 96 percent number that you cited is wrong in the way that you cited it. The Department of Energy, when they are testing a particular appliance for compliance with a new regulation, in this case, they picked the gas stoves that were most likely to be affected. So the gas stoves that were most likely to not comply are the ones they tested to see what the impact would be.

So the full range of gas stoves absolutely is not affected. In fact, half of the gas stoves that are on the market right now wouldn't even be impacted. The gas stoves that would be impacted are high-end gas stoves, you know, the most expensive gas stoves.

And the reason why they were found to be inadequate is because, in many cases, they have very heavy grates and the burners can be an oval shape, which causes an excess amount of natural gas to be emitted relative to the pot that is on there. So it is just—it is a wasteful use of natural gas.

This does not impact the majority. And it certainly doesn't say that anybody who has a gas stove would have their gas stove taken away. There is no ban on gas stoves. I have a gas stove. It is just about making the existing electric and gas stoves and all the other appliances more efficient.

It is a proposed rule. We absolutely consult with industry on it.

The increased cost for a high-end gas stove to replace this particular mechanism would be about $12.

Mr. NEWHOUSE. Well, thank you very much for that clarification. I know a lot of people around the country will be happy to hear the things you are saying.

I truly believe that gas has been one of those resources that has allowed us to reduce our carbon footprint as much as we have as a country. And I certainly would not want to see limiting the option available to consumers, increasing cost to consumers, lowering the standard of living by having to make additional investments.

So I appreciate very much your answer and have lots of other questions and look forward to round two. But thank you very much for being here.

Secretary GRANHOLM. You bet.

Mr. FLEISCHMANN. Thank you, Mr. Newhouse.

At this time, I would like to recognize the gentleman from Washington State, Mr. Kilmer, for 5 minutes of questions.

Mr. KILMER. Thank you, Chairman.

And thank you, Madam Secretary, for being here. I also want to thank you for visiting my district, coming out to Sequim, Washington, and the Pacific Northwest National Lab out there. And thanks to Under Secretary Richmond for joining as well.

We have the only marine and coastal research lab in the DOE system in my district. Really important to our economy, to our community, and doing some really cutting-edge research looking at marine energy technologies, supporting the DOE's water power priorities for a decarbonized energy system.

As we discussed, we are hoping to modernize and build out some of the lab space, and look forward to working with the Water Power Technologies Office to prioritize that effort. You will recall from a business and Tribal roundtable that we had as well, our community is really supportive of that.

And I just was hoping you could share a few thoughts about the importance of the Pacific Northwest in marine energy research and development and what role you see for that unique lab in addressing some of the Department's priorities.

Secretary GRANHOLM. Yeah. I think this area of marine research, which will lead, we hope, to deployment of devices that will capture tidal and wave water technologies, is a huge potential for the United States to lead in and, therefore, for your region to be leading in.

You should—I am sure you are aware, but yesterday was—was whatever—was Water Day—I want to make sure I get the word right. It was—it was——

Mr. KILMER. I would like to wish you a happy Water Day.

Secretary GRANHOLM. I know, right? It was yesterday. It was a—we are, I think—it was a focus, anyway, on water as a resource, and the Department of Energy announced a couple of efforts to advance hydropower and marine energy technologies. There is an Innovating Distributed Embedded Energy Prize that is $2.3 million for usable types of tidal energy. And then there were two interesting pieces that I thought you would be interested in: the Hydropower Collegiate Competition and the Marine Energy Collegiate

Competition, which are prizes for that upcoming workforce to be excited about engaging in tidal, wave, and marine power.

This area, as I say, is a huge upcoming area, and it will be an upcoming area of focus for us, and we are excited about the investments.

World Water Day. Thank you.

Mr. KILMER. There we go.

Secretary GRANHOLM. World Water Day.

Mr. KILMER. Let me ask you, in the omnibus, the committee provided to the Department direction on developing a cross-cutting program for aquatic decarbonization and requested a detailed spending plan to identify which offices would be aligned in that effort and how investments in RD&D and infrastructure needs will be addressed. Any update on how that is going?

Secretary GRANHOLM. Yeah. I know this was the omnibus that was passed in December. I know they are organizing around it. They are excited to be able to provide an update. They are not quite ready to release it yet, but it will be coming, and I am excited to be able to brief you on that.

Mr. KILMER. Great. Terrific.

Secretary GRANHOLM. Yeah.

Mr. KILMER. With the time I have left—and appreciate that offer of an update. We are particularly interested, in our region, on some of the blue energy economy work.

As the DOE rolls out the Infrastructure Investment and Jobs Act and the Inflation Reduction Act, I also just wanted to extend an invitation to any of your team or to you, if you want to come back—we would love to have you—but a bit more inland to see some of the exciting work we are hoping to implement with some of the funds.

For example, there was a pulp mill in Grays Harbor County that was on the verge of shutdown, but with the provisions in the IRA, folks in my district actually have the opportunity to transform it into a 21st-century biorefinery. They are planning to hire hundreds of people in good-paying jobs; are partnering with other Washington State companies for cutting-edge technologies like capturing CO_2 from their powerhouse emissions and converting them to formic acid.

I would love to show you some of the exciting stuff that we are hoping to accomplish with the legislation and just want to extend an invitation to you or to any member of your team.

Secretary GRANHOLM. I would be delighted to come and see that.

Mr. KILMER. It looks like I have a few seconds left, so, in closing, I would be remiss not to mention the serious budget needs out at Hanford. I imagine my colleague Mr. Newhouse mentioned that as well. Obviously, a huge priority for the entire State of Washington.

Would look forward to working with you and this committee just to make sure we don't leave out our region in addressing what is really aging and, in some instances, failing infrastructure that could put families and fish and farms and others at risk.

Secretary GRANHOLM. Yep. They were good milestones, but they—and, of course, the budget represents an increase as a recognition about the importance of the site.

Mr. KILMER. Thank you.

Chairman, I yield back.

Thank you, Madam Secretary.

Mr. FLEISCHMANN. Thank you, Mr. Kilmer. I appreciate your comments about Hanford and Mr. Newhouse as well. I recommend that perhaps you all would work with Congresswoman Susie Lee and I. We have co-chaired the Nuclear Cleanup Caucus and worked in a very strong, bipartisan fashion to make sure that Oak Ridge and Hanford and all the legacy sites will get cleaned up. And I thank you.

Mr. KILMER. Thank you, Chairman.

Mr. FLEISCHMANN. At this time, I would like to recognize the gentlelady from Louisiana, Congresswoman Letlow. Thank you.

Ms. LETLOW. Thank you, Chairman Fleischmann.

And, Madam Secretary, thank you for your testimony and for being here today.

You know, as mentioned by several of my colleagues, there is a crisis with American energy independence, and our country must cut back on its reliance on foreign oil. The United States has the world's largest oil and gas reserves, and we can produce these resources more cleanly and efficiency than anywhere else in the world. Oil, natural gas, or clean coal—the method is flexible, but the reason isn't: We must increase the domestic production of energy.

While I advocate firmly for the increase in domestic energy production, I also believe we must make it more easily accessible for the export of liquefied natural gas. My home State of Louisiana is responsible for over 60 percent of LNG produced and exported from the United States, and we have several proposed projects that will help bolster our leading role in the world as a major energy exporter.

Last year, President Biden made an agreement with the European Commission seeking to send more volumes of U.S. LNG to Europe. The United States has the opportunity and the responsibility to enact policies that could support the export of American LNG to our partners. This could also result in reaffirmation of the vital role the United States plays in the worldwide energy sector.

My question is this: What is the Department of Energy doing to facilitate the export of American LNG to our allies, and how can the subcommittee help the DOE expedite this process?

Secretary GRANHOLM. Great. Thank you so much for that, as well.

Ms. LETLOW. Yes.

Secretary GRANHOLM. You are probably aware, I am sure, that we have, in fact, permitted a number of LNG expansions over the past couple of years, especially as we know that we need to help and be part of the solution with our allies.

In fact, as we sit today, we export about 12 BCFs of LNG, which is a record amount for us. We are becoming the world's largest exporter of LNG. As of right now, there are 20 BCFs of LNG that have been permitted and that are under construction. And there are 49 BCFs of LNG that have been permitted. The balance of that is not under construction. So there is a plethora of opportunity for the liquefiers to be able to export.

We also want—and having worked with a number of the gas companies who are very interested in our LNG being the cleanest so that they can have great demand.

Ms. LETLOW. Uh-huh.

Secretary GRANHOLM. And so our Fossil Energy and Carbon Management Office is working on a methane strategy to be able to reduce and eliminate, in many cases, methane upstream, to be able to make sure that we can detect, we can monitor, and mitigate. And there is great excitement about being able to have a, sort of, objective certification process on our LNG so that we are the LNG providers of choice.

At the same time, of course, we want to continue to accelerate our efforts on clean energy and zero-carbon energy. And so the technologies associated with cleaning up the natural gas supply are a priority.

Ms. LETLOW. Thank you. I look forward to us capitalizing on those opportunities.

So physical threats to the electric grid rose by an alarming rate last year. On top of this concerning increase, ongoing threats of severe weather events and cyber attacks add up to an electric grid that is increasingly at risk.

New technology advancements, especially at the distributed energy scale, are going to increase the susceptibility of the grid, as these devices interact with and rely upon the electric grid infrastructure.

Can you update us on the Department's effort to mitigate and respond to physical threats to the electric grid?

Secretary GRANHOLM. Yeah. Thank you for asking that.

CESER, of course, inside of our department is in charge of making sure that the cyber component of the grid is protected, at least that we share best practices with utilities and others who care deeply about this. CESER is the energy-sector coordinator for the electricity sector.

We are very concerned about the increase in particularly physical attacks on the grid, in addition to the cyber attacks that we are seeing. And we are concerned, as well, about extreme weather events affecting the grid. All of those are bundled into our concern about investment in the grid in the right way.

Ms. LETLOW. Uh-huh.

Secretary GRANHOLM. So we want to make sure that we are working with our industry and utility partners, rural electric co-ops, all of them, to ensure they have best practices in terms of cyber, that we are not creating threats unintentionally, that we have a supply chain for the grid that is built in the United States, which includes transformers. We have work to do on that.

But our work with the private sector and with utilities and with the co-ops and the munis is very, very solid, and I am really proud of the work that CESER is doing.

Ms. LETLOW. Thank you, Madam Secretary.

I have run out of time. I yield back.

Mr. FLEISCHMANN. Thank you, Congresswoman Letlow.

At this time, I would like to recognize, from the great State of Florida, Ms. Wasserman Schultz for 5 minutes.

Ms. WASSERMAN SCHULTZ. Thank you so much, Mr. Chairman.

I appreciate the opportunity to say hello, Madam Secretary. Good to see you.

Secretary GRANHOLM. Good to see you too.

Ms. WASSERMAN SCHULTZ. And I am just an example of, you know, you can stop being a staffer but you can never really take the staffer out of the girl. So——

Secretary GRANHOLM. I appreciate it, though.

Ms. WASSERMAN SCHULTZ. No problem. I consulted Professor Google. It is not like I knew off the top of my head either. So no worries.

Okay. It really is great to have you here.

And I usually like to have our witnesses, obviously, just have your work speak for itself and get a sense of what you are doing and what your priorities are, and I appreciate the opportunity to see that. But this year really is very different. We have a menacing cloud that is hanging over the appropriations process this year: The debt limit is fast approaching.

The Republican House Freedom Caucus just made their priorities very clear in terms of, you know, their upcoming budget. Their intent is clearly to impose devastating cuts to public safety, increase costs for working- and middle-class families.

The impact of rolling back to fiscal year 2022 levels, I know, would be devastating if you think about them generally, but I do want to try to drill down and get a sense from you specifically what it would mean for the Department of Energy.

If there were across-the-board cuts just, for example, to discretionary spending at fiscal year 2022 levels, it would hit communities all across the country, according to figures from CBO, the nonpartisan Congressional Budget Office.

Can you—you mentioned an overview of impact, but, specifically, how, for example, would going back to fiscal year 2022 levels affect the Energy Efficiency and Renewable Energy research projects?

Secretary GRANHOLM. Yeah. Thank you for asking that. I mean, I appreciate you talking about that particular office, because I am not sure that people, in general, understand how broad the EERE is——

Ms. WASSERMAN SCHULTZ. Absolutely. That is why I am asking.

Secretary GRANHOLM [continuing]. That it is not just wind and solar, it is not just renewable energy, but it is energy reduction from industrial uses, so industrial decarbonization; it is bioenergy, sustainable aviation fuels and biofuels; you know, it is transportation, it is batteries for electric vehicles, et cetera; it is hydrogen. I mean, it is all of that. It is heat pumps. It is all—it just runs the gamut.

So each individual office within EERE—could be the Water Technologies Office, it could be the Geothermal Technologies Office—each one of these offices is actually underfunded now, with respect to the need that is out there. And many of these offices, the technology areas, received very little support in the IIJA and the IRA. You know, there wasn't a Bipartisan Infrastructure Law chunk that went to solar, for example, or wind.

So, if we don't increase funding in the budget, then we miss out on major opportunities for this broad suite of technologies.

Ms. WASSERMAN SCHULTZ. And, Madam Secretary, let's be clear: It is not just that we are not going to increase funding. They are proposing to roll it back to fiscal year 2022——

Secretary GRANHOLM. So cutting it. Yes——

Ms. WASSERMAN SCHULTZ. They want to cut it.

Secretary GRANHOLM [continuing]. Cutting it would be disastrous for innovation efforts. And that would slow, you know, progress on industrial decarbonization—I mean, things that I think have bipartisan support, like the industrial decarbonization, sustainable aviation fuels, hydrogen——

Ms. WASSERMAN SCHULTZ. If you don't mind, I have some other facets——

Secretary GRANHOLM. Yeah.

Ms. WASSERMAN SCHULTZ [continuing]. To this question too.

Secretary GRANHOLM. Go.

Ms. WASSERMAN SCHULTZ. So, I mean, our friends on the other side of the aisle are always, you know, talking about how they really support blue-collar workers, for lack of a better term. But, I mean, their proposals clearly, and just in some of the things that you have described, would lay off thousands of construction workers nationwide.

And negative impacts seem to not be limited to job losses. Our national security and defense capabilities would also be hampered. How would this, for example, affect our nuclear warhead modernization program, including the DOE nuclear labs, if we roll back—cut back—to fiscal year 2022 levels?

Secretary GRANHOLM. Right. I was somewhat alluding to this before, but there would be over 5,000 people cut from our labs who do this work every day, you know. And the warhead modernization program would be significantly hampered, delayed 1 to 2 years, which would, you know, pose major impacts on costs eventually. Because if you delay it, you are going to be delaying the impacts, you are going to have to raise prices.

It is just a huge problem from both the warhead point of view as well as the labs themselves and the employees of those labs who are doing that work.

Ms. WASSERMAN SCHULTZ. Thanks. I appreciate it.

I will save my other question for the second round. I yield back, Mr. Chairman. Thank you.

Mr. FLEISCHMANN. Thank you, Ms. Wasserman Schultz.

At this time, I would like to recognize the gentleman from Pennsylvania, Mr. Reschenthaler, for 5 minutes.

Mr. RESCHENTHALER. Thank you, Mr. Chairman. I appreciate it.

Madam Secretary, on 10 March of 2023, you said, and I quote, "We can all learn from what China is doing," end quote, obviously a—about the environment.

At the time you made that comment, are you aware that 30 percent of the world's CO_2 emissions came from China?

Secretary GRANHOLM. Oh, yes.

Mr. RESCHENTHALER. Are you aware at the time you made that comment also that more than—that China emits more than the U.S., the entire EU, and Japan combined?

Secretary GRANHOLM. Oh, yes.

Mr. RESCHENTHALER. Were you aware when you made that comment that China brings on line two coal-fired power plants a week?

Secretary GRANHOLM. Absolutely.

Mr. RESCHENTHALER. Were you aware that China's coal-fired plants generate over 23 percent of all the energy of the U.S. production combined?

Secretary GRANHOLM. Yes.

Mr. RESCHENTHALER. I assume you were also aware that China in the Paris Climate Agreement is allowed to increase their emissions through 2030?

Secretary GRANHOLM. Yes.

Mr. RESCHENTHALER. Knowing that you knew all that when you made the comment, would you like to retract your praise for China?

Secretary GRANHOLM. No. My praise for China was on what they are doing to invest in clean energy even as they are the world's largest emitter. They are the world's largest——

Mr. RESCHENTHALER. So they——

Secretary GRANHOLM. Wait a minute.

Mr. RESCHENTHALER. So they are the largest emitter——

Secretary GRANHOLM. They are the——

Mr. RESCHENTHALER [continuing]. And we should be studying—

Secretary GRANHOLM. But they are also——

Mr. RESCHENTHALER [continuing]. Studying what they are doing?

Secretary GRANHOLM. They are also the largest investor in clean-energy technologies. They invest four times more than the United States——

Mr. RESCHENTHALER. All right. Reclaiming my time. Reclaiming my time.

Secretary GRANHOLM [continuing]. And the——

Mr. RESCHENTHALER. So they are bringing two coal-fired power plants on line each week, and you are praising that, while you are trying to shut down——

Secretary GRANHOLM. No, I am not praising that.

Mr. RESCHENTHALER. Plants here.

Secretary GRANHOLM. I am not praising that, sir.

Mr. RESCHENTHALER. I can read the——

Secretary GRANHOLM. I was praising——

Mr. RESCHENTHALER. I can read the quote.

Secretary GRANHOLM. Just to be clear——

Mr. RESCHENTHALER. I can read the quote back to you.

Secretary GRANHOLM [continuing]. I was praising their investment in clean energy and saying we have to learn——

Mr. RESCHENTHALER. Madam Secretary, Madam Secretary, your exact quote was, "So we hopefully can learn"—"we can all learn from what China is doing." That sounds like——

Secretary GRANHOLM. On clean energy, sir.

Mr. RESCHENTHALER [continuing]. Praise to me.

Secretary GRANHOLM. On clean energy.

Mr. RESCHENTHALER. Let's talk about——

Secretary GRANHOLM. They invest four times more than the United States. The greatest investor in clean energy.

Mr. RESCHENTHALER. Despite the fact that they are the world's largest emitter and they are increasing their emissions?

Secretary GRANHOLM. They have a terrible record on greenhouse gas emissions. They have an——

Mr. RESCHENTHALER. Okay.

Secretary GRANHOLM [continuing]. Investment——

Mr. RESCHENTHALER. Okay.

Secretary GRANHOLM [continuing]. That is significant in——

Mr. RESCHENTHALER. I also want to talk about——

Secretary GRANHOLM [continuing]. Clean energy.

Mr. RESCHENTHALER [continuing]. A comment you made on 14 October 2021. You said, the USA doesn't have, and I quote, "doesn't have the moral authority," end quote, to criticize China.

When you made that comment, were you aware that in January of that year our own State Department determined that the CCP is committing genocide and human rights abuses against Muslim Uyghurs?

Secretary GRANHOLM. Yes. But I am not——

Mr. RESCHENTHALER. Were you aware of Hong Kong and the fact that Hong Kongers lost their liberty and if you are accused of crimes you are extradited to mainland China?

Secretary GRANHOLM. I am aware that China is a——

Mr. RESCHENTHALER. Are you aware that——

Secretary GRANHOLM [continuing]. Huge human-rights abuser.

Mr. RESCHENTHALER [continuing]. The PRC is engaged in severe repression of Tibet's unique religious, cultural, and linguistic heritage, including extrajudicial detentions, disappearances, and torture?

Secretary GRANHOLM. Yes.

Mr. RESCHENTHALER. Are you aware the PRC is widely alleged to be a major harvester and trafficker of forcibly acquired organs?

Secretary GRANHOLM. Yes.

Mr. RESCHENTHALER. Are you aware that those that have their organs forcibly removed are typically minorities, including Falun Gong, Uyghurs, Tibetans, Muslims, and Christians?

Secretary GRANHOLM. Yes. I am aware that China——

Mr. RESCHENTHALER. Would you like to——

Secretary GRANHOLM [continuing]. Is a horrible, huge——

Mr. RESCHENTHALER. Okay.

Secretary GRANHOLM [continuing]. Human-rights abuser.

Mr. RESCHENTHALER. So I find it even more astounding that you say that the United States does not have the moral authority to criticize China when you are aware of this laundry list of human-rights violations I just provided you——

Secretary GRANHOLM. That was not the subject——

Mr. RESCHENTHALER [continuing]. That apparently you were——

Secretary GRANHOLM [continuing]. I was referring to, sir.

Mr. RESCHENTHALER. You were still talking about the moral authority——

Secretary GRANHOLM. No, no, no.

Mr. RESCHENTHALER [continuing]. With the U.S.——

Secretary GRANHOLM. I was talking about——

Mr. RESCHENTHALER [continuing]. Vis—vis China.

Secretary GRANHOLM [continuing]. The United States has to learn about the—and has been, actually—about the strategy that

China has engaged in to be able to take supply chains for clean energy and corner the market on them.

And, in passing the Inflation Reduction Act, the response to China has been, we are making the United States irresistible. We are adopting——

Mr. RESCHENTHALER. All right. I am going to reclaim my time. I will submit——

Secretary GRANHOLM. I do not like to be taken out——

Mr. RESCHENTHALER [continuing]. The exact quote you had. I can——

Secretary GRANHOLM [continuing]. Of context, though, sir.

Mr. RESCHENTHALER. I am not taking you out of context.

Secretary GRANHOLM. Yes, you are, sir.

Mr. RESCHENTHALER. I have two quotes——

Secretary GRANHOLM. You are absolutely taking me out of context.

Mr. RESCHENTHALER. I have two quotes with you praising China, one saying that we don't have the moral authority to criticize China, after I just gave you a litany of human-rights violations——

Secretary GRANHOLM. I was not referring——

Mr. RESCHENTHALER. I also have——

Secretary GRANHOLM [continuing]. To that, sir.

Mr. RESCHENTHALER. Madam Secretary, it is my time.

I also gave you a quote—I gave you the dates of the quote in which you were praising China for how they are handling energy. And you just admitted they are the largest CO_2 emitter——

Secretary GRANHOLM. And I also said——

Mr. RESCHENTHALER [continuing]. And they are increasing CO_2 emissions.

Secretary GRANHOLM [continuing]. They are the largest investor in clean energy, sir.

Mr. RESCHENTHALER. Where is your praise for the United States and the fact that we are the only Western power——

Secretary GRANHOLM. I have been praising the United States——

Mr. RESCHENTHALER [continuing]. We are reducing our emissions——

Secretary GRANHOLM [continuing]. In this role of how fantastic it is that we are now in the game.

Mr. RESCHENTHALER [continuing]. Through natural gas.

Secretary GRANHOLM. The largest investment in clean energy that was passed——

Mr. RESCHENTHALER. Thank you, Madam Secretary. I am——

Secretary GRANHOLM [continuing]. Last year, thanks to the Inflation Reduction Act.

Mr. RESCHENTHALER. Madam Secretary, I just find your praise for the CCP to be alarming, but I am going to yield the remainder of my time to my colleague from Oregon.

Mr. NEWHOUSE. Thank you very much, Mr. Reschenthaler. That doesn't leave me a lot of time, so I will wait until the second round. Thank you very much.

Mr. FLEISCHMANN. Thank you, Mr. Reschenthaler and Mr. Newhouse.

At this time, I would like to recognize Ms. Lee from Nevada, my co-chair on the Nuclear Cleanup Caucus, for 5 minutes.

Ms. LEE of Nevada. Thank you, Mr. Chairman, and hopefully we can get back to talking about the budget.

I want to extend my appreciation for your visits to my district, recognizing Nevada's leadership in renewable energy.

Also pleased that the Department of Energy budget once again includes zero dollars for a permanent nuclear repository in Nevada. To us, it is zero dollars of delivering waste to Nevada without our consent.

I wanted to ask you two quick questions: Can you please confirm that is the case?

Secretary GRANHOLM. Yes.

Ms. LEE of Nevada. And, secondly, can you also confirm that the Department remains committed to consent-based siting as the path forward for nuclear waste management?

Secretary GRANHOLM. Yes, I can commit to both. And I am happy to provide an update on where we are on that, if you would like.

Ms. LEE of Nevada. Great. We will do that offline, but——

Secretary GRANHOLM. Okay. Very good.

Ms. LEE of Nevada. I also agree with you that consent-based siting is the path forward. We have deep concerns that a major roadblock to that is the fact that the Federal law since 1987 has designated Yucca Mountain as the only allowable site for a national permanent nuclear waste repository, against the will of Nevadans, I will emphasize.

Would you agree that Yucca Mountain project is a central roadblock to progress in identifying workable long-term storage options?

Secretary GRANHOLM. No, I wouldn't agree with that. I think that it has been made clear that Yucca Mountain is not going to be the place for long-term storage. And I also know that we have been engaged in the conversation with a number of communities that have at least raised their hand to be willing to have a conversation about that responsibility.

So I am encouraged that there are a number of communities who don't see Yucca Mountain as a barrier.

Ms. LEE of Nevada. Great. Well, thank you. I appreciate that. And we will follow up on the progress.

I want to turn to another issue. As you know, Nevada just—or, we just designated Avi Kwa Ame—President Biden—as the Nation's newest national monument, in my district. This honors our region's Tribal heritage and significantly advances the administration's goal of conserving at least 30 percent of U.S. lands and waters by 2030.

At the same time, our State is also ideally positioned to help the administration achieve one of its other goals, which is transitioning to 100 percent clean electricity by 2035. I am just going to make a plug. I love the $35 million for the Office of Energy Efficiency and Renewable Energy. We do have an MSI in Nevada. So just making a plug that we might be a great location for that new lab.

But making this happen, the transition, will require close and consistent interagency coordination, especially between the Department of Energy and the Department of the Interior.

As much as our constituents welcome and will honor this new national monument, it is also important to consider what happened. It was regrettable that this designation curtailed a couple

renewable energy projects that had years of planning behind them, another—you know, a promising solar project as well as a promising wind turbine.

Could you please speak today to what specific things the administration is doing to ensure that we achieve this goal but also in tandem with the 30 by '30 goal.

Secretary GRANHOLM. Yeah. Actually, the 30 by '30 goal and the 100 percent clean by 2035 means that we have to essentially double the amount of transmission and add about 60 gigawatts per year of clean energy to our electric grid in order to meet that up to 2030 and then 200 gigawatts per year from 2030 on to 2035. So it is a massive amount.

So we need to do a number things. Number one is to be sensitive first, of course, to the lands that have, you know, the Tribal burial grounds, et cetera, that may be extremely—you know, may have a problem with respect to endangered species, et cetera.

But there are swaths of public land that don't have those conditions. And we have a—I know the President has wanted us to really accelerate transmission to the extent we can on the executive-branch side. And so we have—just yesterday at the White House, we have a group working on what that can look like, while Congress hopefully gets a bipartisan permitting bill through so that we can accelerate clean energy and transmission, because both have to happen, on public lands.

There is one provision under the Federal Power Act that allows for an acceleration of transmission on public lands that Congress has already passed, and we are seeing what we can do to implement that. But there is more work that needs to be done for permitting—all consistent with the goals of NEPA.

We can do this. We can do it quickly, and we can still respect the goals of protecting the environment that NEPA underlies.

Ms. LEE of Nevada. Great. Thank you. I just want to offer our help in whatever we can do as a committee to help you along those lines.

Secretary GRANHOLM. Thank you.

Ms. LEE of Nevada. Thank you.

Mr. FLEISCHMANN. Thank you, Ms. Lee.

At this time, I would like to recognize a new member to the full committee and to this subcommittee, from the great State of Mississippi, and the current chair of the House Ethics Committee, sir, Mr. Guest, for 5 minutes.

Mr. GUEST. Thank you, Mr. Chairman.

Madam Secretary, thank you for joining us today.

In looking at the total overall budget request, is it my understanding that the administration is asking for slightly over a 13.5-percent increase from last year's budgeted amount?

Secretary GRANHOLM. Correct.

Mr. GUEST. Is that correct?

Secretary GRANHOLM. Uh-huh.

Mr. GUEST. I want to talk specifically about, one, what I believe is an important component to our national energy production strategy that the administration is asking for decreased funding, and that is going to be in the field of nuclear energy.

I see in some of the documents that were prepared for us that the administration is asking for decreased funding in nuclear energy and also asking for decreased funding in Naval Reactors.

And, first of all, do you agree that nuclear energy is both a clean and a green energy?

Secretary GRANHOLM. A hundred percent.

Mr. GUEST. There was a report that was issued back in 2021 from the Office of Nuclear Energy, and it said that nuclear energy protects air quality. And it goes on to say, nuclear energy is a zero-emission clean-energy source and that, according to the Nuclear Energy Institute, the NEI, the United States avoided more than 471 metric tons of carbon dioxide emissions in 2020.

It also goes on to point out that nuclear energy's land footprint is small. And it says that a typical 1,000-megawatt nuclear facility in the United States needs little more than 1 square mile to operate, while a wind farm of the same equivalent requires 336 times more land. And then the report goes on to talk about that you would need 3 million solar panels to generate the same production capacity of that one plant and need 430 wind turbines.

And as we look at Naval Reactors, very concerned. And I know there has been some discussion earlier about China and China's growing threat to our national security and that, if we are going to combat China, our first line of defense is going to be our men and women who serve, our sailors who serve, and the need for America to invest in a more modern Navy, a larger Navy, to combat China and the things that we are seeing. Because if we do end up in any sort of armed conflict with China, particularly over in the Taiwanese Strait, our Navy is going to be that first line of defense.

And so my question to you is, in light of the fact that nuclear is an important part of our energy production strategy nationally, that it is a clean, green energy, something that this administration is pushing, what was the rationale in asking that, in a budget that is increasing by 13.5 percent, that nuclear, actually, we are asking for a decrease, particularly in the areas that I have mentioned?

Secretary GRANHOLM. Yeah. Thank you for asking this.

We are in total agreement on the importance of nuclear energy. And the budget decrease was only related to the two advanced reactor demonstration projects that were, in fact, funded by the Bipartisan Infrastructure Law. So those reactors are still happening, but they are over in the Office of Clean Energy Demonstrations.

And so that is still happening, nuclear support of this budget; it is just going to a different place in the budget.

Mr. GUEST. Okay. So, overall, is there an increase or a decrease in nuclear?

Secretary GRANHOLM. Well, there is a decrease just because of those two projects moving to a different part of the budget, but there is an enthusiastic increase in the overall budget for nuclear if you include that IIJA amount—excuse me, the Bipartisan Infrastructure Law amount.

Mr. GUEST. And let me ask you about critical minerals.

Secretary GRANHOLM. Yeah.

Mr. GUEST. We understand that in the world that we live in that those minerals are vitally important in the production of things

such as high-capacity batteries that we are seeing so many of our domestic producers moving toward.

We know that there was an actual report that was put out by the Department of Commerce talking about this. It was entitled "A Federal Strategy to Ensure Secure and Reliable Supply of Critical Minerals," and it said that the United States imports most critical-mineral commodities.

Specifically, the United States is import-reliant for 31 of 35 minerals designated as critical by the Department of the Interior. The United States does not have any production capacity and relies completely on imports to supply us demand for 14 critical minerals.

And so my question to you, as it relates to this budget request: What specifically in the budget goes to address our reliance on these critical minerals?

I will let you answer, and then I will yield back.

Secretary GRANHOLM. Great.

So, across programs, there is an increase in investment in critical minerals for the reasons that you say. We want to get that full supply chain here, from extraction to processing, to then perhaps installation in batteries for electric vehicles, which is where much of the demand is in.

There is a $404 million increase across the board: $40 million for FECM, $41 million for our Fossil Energy and Carbon Management Office; in Energy Efficiency and Renewable Energy, it is about $206 million, because that relates to the batteries. It is about—overall, if you include the funding that comes from the Bipartisan Infrastructure Law, it is about a 280-percent increase in the investment in critical minerals.

And then, on top of that, the amount that the Loan Programs Office is investing in extraction and processing of critical minerals as well. Several projects: two in Nevada; one in New York; one in Georgia, Vidalia, Syrah, extraction for graphite.

So there is a whole across-the-board effort inside of the Department of Energy to invest in extracting processing and ensuring we have those critical supply chains here at home.

Mr. GUEST. I yield back, Mr. Chairman.

Mr. FLEISCHMANN. Thank you, Mr. Guest.

At this time, I would like a special recognition of the gentleman from Idaho, Mr. Simpson, before I yield to him for 5 minutes of questioning. Mr. Simpson has served this subcommittee as chair, as ranking member, and done an exemplary job in years, and really has been a role model and represents the very great Idaho reservation, which I actually have visited before.

So, with that, Mr. Chairman, I yield to you for 5 minutes for questions.

Mr. SIMPSON. I thank you, Mr. Chairman. And I started off actually sitting over there where Mrs. Bice sits. I sat all around this table over the 20 years that I served on this committee.

Thank you, Secretary Granholm, for being here today——

Secretary GRANHOLM. Of course.

Mr. SIMPSON [continuing]. To answer our questions and talk about your budget and the recommendations within your budget.

Before I say that, I have to say, I enjoyed the Yucca Mountain conversation. I will tell you, as I have told many Secretaries, do not fill in that cave, that $14 billion cave.

Secretary GRANHOLM. It is gone now. You are safe.

Mr. SIMPSON. We are going to need a place to store the 53 National Academy of Sciences' studies on Yucca Mountain that have been done. That is the most studied piece of earth on this Earth.

But that is neither here nor there. That is a decision that will—you know.

Secretary GRANHOLM. I know.

Mr. SIMPSON. It is something we have to deal with in the future somehow.

Secretary GRANHOLM. Uh-huh.

Mr. SIMPSON. Let me ask you a couple of questions.

Mr. Guest asked about nuclear energy and the reduction in the nuclear energy budget, which I found rather stunning because I know you support nuclear energy, and it is the way you are going to get to a carbon-free environment, if that is your goal. We both agree with that.

And before I forget, thank you for coming to Idaho and our trip there. I enjoyed that very much.

You said that the reason there is a decrease is because a couple of the demonstration projects went over to another account.

The SMR NuScale, small modular reactor, which is the one that is furthest along—it has been licensed by the NRC—so it is the one that we ought to keep pushing, or at least one of the ones we ought to keep—I think we need to keep pushing them all—it was reduced substantially in this budget.

Can you tell me why and how we expect to keep that moving forward?

Secretary GRANHOLM. Well, we did keep a $10 million placeholder in there. And I know this is something that has been a priority of yours and of mine. We also want to balance other equities in the budget. It has been a long time. It has been there—the effort to build it has been a long time in coming, as they are with all nuclear reactors.

Mr. SIMPSON. Yeah.

Secretary GRANHOLM. The good news is, it is the first to be certified by the NRC, which is a great milestone. And I fully expect that it will continue apace. And I look forward to working with you on making sure that it is funded into the future in a way that is commensurate with its importance, which is a lot.

Mr. SIMPSON. Well, I appreciate that. It is funded in request at $40 million, and that is a $140 million reduction, which is a substantial reduction in that. I want to work with you and with this committee to make sure that we continue moving this and the other advanced reactor designs forward.

You know, we had a concern on this committee, when we adopted the other advanced reactors at the time, that we wouldn't have the money to do all of these at the time and that we would get started on one and all of a sudden there would be—you know, we don't have the money to continue that.

The history of the DOE, frankly, is starting programs and then either stopping them or changing directions, such as a $14 billion, or whatever it is, Yucca Mountain, you know?

Secretary GRANHOLM. Uh-huh.

Mr. SIMPSON. We spent a lot of money and change directions before we get to the finish line. So we need to make sure we keep these demonstration reactors moving forward, because they are the future.

Secretary GRANHOLM. I agree with you.

Mr. SIMPSON. And if we are going to actually decarbonize the atmosphere, you are not going to do it with wind and solar. That is a part of it, but the major part of it is going to be nuclear energy.

Secretary GRANHOLM. A big part, for sure.

Mr. SIMPSON. So I appreciate that.

One of the other questions is, all of these reactors are going to require a new type of fuel, HALEU fuel. Can you be more specific on what "billed inventory" means and clarify the timeline for the RFP to be released on this HALEU fuel? I have had numerous calls asking me, when is the Department going to release the RFP on this?

Secretary GRANHOLM. Yeah. So we received $700 million under the IRA. It is in interagency review right now. We hope that it is going to be released very soon.

Mr. SIMPSON. Okay. Very soon?

Secretary GRANHOLM. Yeah.

Mr. SIMPSON. "Very soon" being, like, 6 months? A year?

Secretary GRANHOLM. Oh, yeah——

Mr. SIMPSON. Five years?

Secretary GRANHOLM [continuing]. Definitely within—within—I mean, I am hopeful that it is released very soon, like, tomorrow. But I am not guaranteeing that——

Mr. SIMPSON. Yeah.

Secretary GRANHOLM [continuing]. Because it is not in my agency at the moment——

Mr. SIMPSON. Yeah.

Secretary GRANHOLM [continuing]. For interagency review.

So it is a priority we are pushing. It is, obviously, complicated. It requires a whole new strategy. So it is in review, and I expect that it will be released soon.

Mr. SIMPSON. Thank you very much.

Secretary GRANHOLM. Yeah.

Mr. SIMPSON. And thank you for being here today. And any other questions that we have I will submit for the record, and I know you will answer those.

And let me just say that, having served on this committee for, as I said, 20 years and been chairman and so forth, I can't think of a better person to have handed this committee off to than the gentleman from Tennessee. He is more engaged in these issues than I ever was, I believe, and he will do a great job there.

So I look forward to working with you and rest of the members of this committee. Thank you.

Mr. FLEISCHMANN. Thank you, Mr. Chairman, for those fine words and your questions.

At this time, I would like to recognize the gentlelady from Oklahoma, Mrs. Bice, for 5 minutes.

Mrs. BICE. Thank you, Mr. Chairman. Appreciate it.

And thank you, Secretary Granholm, for being here today.

I want to circle back. In your response to Rep. Guest, you mentioned that there is a focus on investment in critical minerals across the country.

Can you talk a little bit about how you are planning to address the issue with permitting and opposition or delays to permitting for new mining facilities?

This seems to be a big topic of conversation. And if you, in fact, want to ensure that we have access to these critical minerals, the permitting process seems very antiquated and delayed. And I don't know how we get past that and move forward quickly.

Secretary GRANHOLM. Well, I hope that Congress can help us on this as well. Because you are right; it should not take 5 years, 10 years to——

Mrs. BICE. How is Congress going to help? Because, typically, these permitting processes are——

Secretary GRANHOLM. Oh, yeah, it——

Mrs. BICE [continuing]. Going through agencies.

Secretary GRANHOLM. And it does. It does come through agencies. But the permitting bill, or a version of a permitting bill that is being considered, I am hopeful, will help us to address the slowness of how permitting—because, often, there are conflicting agencies weighing in on their equities. It takes all sorts of understandable input to make this happen. I think that there are ways, as I say, to make sure that the input is garnered, that the environment is protected, but for us also to move with alacrity. I mean, we should be able to do this.

And, therefore, it is going to require some additional help, I think, from Congress. Although, I will say, with the equities that are happening on the executive-branch side, people are trying to move more quickly. But nobody can deny that it takes too long to get stuff permitted.

Mrs. BICE. And would you agree that, also, that applies to things like LNG facilities that we are trying to get launched and move forward as well? This permitting process across the board is broken, correct?

Secretary GRANHOLM. Well, I will say, I mean, LNG terminals, there are—I was mentioning before—I am not sure if you were here on that—that we have permitted 49 BCFs' worth of export terminals, and we were right now at record levels of export at about 13 BCFs. Under construction, up to about 20 BCFs. So we have a huge amount already permitted.

So LNG is a little bit less of an issue——

Mrs. BICE. Sure.

Secretary GRANHOLM [continuing]. Than these other projects that might be happening, for example, on public lands. Whether it is clean energy or extraction for mines, et cetera, there is just—or transmission—we have a permitting problem.

Mrs. BICE. I want to pivot to one of the line items in the budget, and that is the establishment of a new National Laboratory. It is

a $35 million request for the Office of Energy Efficiency and Renewable Energy.

One of the things that Congress has is power of the purse. And as a committee that is overseeing your organization, can you tell me how we are to be sure that this new laboratory that you are requesting funding for is not duplicative?

Secretary GRANHOLM. Yeah. Our goal on this laboratory is to really help to expand our pipeline of people who are interested in working in STEM, in the STEM fields. And so to be able to have a lab that draws from minority-serving institutions, from HBCUs, et cetera—that was what the President promised when he ran for office, and this is a way to make that real.

The workforce issues in all of our labs are very real. We have a lot of work to do on getting a full pipeline of workers, and especially diverse workers and women workers as well.

So we want to be able to use this as a mechanism, create a lab to get people in on understanding the technologies associated with renewable energy, with energy efficiency, et cetera, and have to be able to draw them for a permanent workforce.

Mrs. BICE. Aren't there already programs through the Department of Education that are focused on STEAM and STEM education, particularly for minority and/or diversity groups across the country, particularly with higher ed?

Secretary GRANHOLM. Yes, there are programs.

Mrs. BICE. So how can we be sure that this is not an additional ask of——

Secretary GRANHOLM. Because this is in the context of a National Lab setting, which, for the folks who have been associated with National Labs and the internships associated with them, see the amazing access they have to the tools, et cetera, that only a National Lab can provide.

So it is very specific to this set of workforce needs. We need nuclear engineers. We need nuclear scientists. We need researchers in very advanced basic research fields. So it is very high-level——

Mrs. BICE. I don't disagree with anything that you are saying, but my concern is that you have so much research going on—as a matter of fact, I came to this hearing from a Science, Space, and Technology hearing, where there is a huge amount of research across the country happening at our higher ed institutions, and particularly, as you mentioned, HBCUs, particularly focused on STEAM and STEM.

So I have concerns that another entity, another agency funding that is doing something very similar to other entities across the country may not be the best use of taxpayer dollars.

With that, Mr. Chairman, I yield back.

Mr. FLEISCHMANN. Thank you, Mrs. Bice.

At this time, I would like to recognize another new member to the full committee and to this distinguished subcommittee, the gentleman from New York, Mr. Morelle.

You are recognized for 5 minutes, sir.

Mr. MORELLE. Thank you so much, Mr. Chairman, and to Ranking Member Kaptur for holding this important hearing.

And thank you, Madam Secretary, not only for being here today but for your service to the country.

Last month, the Department of Energy's Loan Programs Office Director, Jigar Shah, joined me in Rochester to announce a $375 million loan from DOE to help finance the expansion of a cutting-edge lithium ion battery resource recovery facility.

The facility being built by a company called Li-Cycle made the decision to base the facility in Rochester, New York, where I am privileged to represent, due to the area's skilled labor force and number of university research centers.

Once the facility is completed, Li-Cycle is projected to become the largest supplier of lithium carbonate in the United States, with the Rochester facility generating around 90,000 tons or 203,000 lithium ion electric vehicle batteries annually.

Can you just talk for a moment about the role the LPO will continue to play in helping to commercialize more clean-energy technologies and creating more jobs in communities like mine and why it is important that we keep the office funded to help ensure they continue to work efficiently and effectively?

Secretary GRANHOLM. You bet. Thanks for the question. And congratulations that it happened in your district.

The Loan Programs Office, as a general rule, of course, is considered a bridge to bankability for technologies that are proven but are new. And so what we need to do is to be able to give them the opportunity to get in the ground and to be able to not just—they don't have to prove it out. It is not about proving the technology. It is about proving the business process. And these are new.

So, for example, recycling of batteries and then turning that supply back to a supply-chain, you know, off-take is new for the United States. There has to be a whole infrastructure around recycling in order to make a go of it.

However, in cases like this—this is just a slight offshoot—but in cases like this, when you can get lithium from a battery, you know, whether it is a battery from your laptop or a battery from your car, the purity that comes out of it is even more pure than the first time it went through the system. And so it makes it irresistible. So it is very exciting.

LPO does all of the supply-chain analyses of where we are at and what we need to invest in in order to create a full industry in the United States—batteries as well as other clean-energy products. And this particular focus of a circular economy and the recycling of batteries is a key component of it.

Mr. MORELLE. Thank you.

I would also note, not only lithium but will be able to produce high-quality, great nickel and cobalt.

And this helps address what in the entrepreneurial innovation world they call the "valley of death," where you have a product proven but you don't get enough funding to be able to get to a——

Secretary GRANHOLM. Right.

Mr. MORELLE [continuing]. Revenue-based levels. So I am really grateful for it.

Just to switch gears for a second, like so many, I am encouraged by the recent ignition breakthrough at the National Ignition Facility and what it could mean both for our national and energy security.

The Omega Laser Facility at the University of Rochester's Laboratory for Laser Energetics in my district is the largest DOE-funded, university-based program in the Nation and a primary partner of NIF as part of the Inertial Confinement Fusion Program. And, you know, I continue to support and to champion ICF Program funding and thank the Department for its support.

What does fusion ignition mean for stockpile stewardship? And how do we leverage it for inertial fusion energy?

Secretary GRANHOLM. Great. I mean, as I know you are aware, the President has a bold decadal vision to see our first commercial fusion plant within a decade. What NIF did was to basically telegraph that it can be done, that we can achieve ignition.

It is done in a lab that is really focused on weapons, because they have to replicate the force of an explosion in that lab in order to make sure that our stockpile is safe, secure, and effective and that we don't have to do underground testing. But the fact that it could be done in that context means it can be done in other contexts.

That was a laser. Your program is a laser one as well, which got a $3 million increase also in the budget. But there is laser fusion; there is magnetic fusion. The commercial world has looked, from a commercial point of view, more at magnetic, but there is a lot going on in laser as well.

So the bottom line is, we can learn a lot from the stockpile efforts in order to make sure that this abundant, clean resource is made available on a commercial level in a decade or more.

Mr. MORELLE. Yeah. And this having nothing to do with the fact that I represent the university, I am partial to laser, but we will take that up for a different time.

I just wanted to just quickly, Mr. Chair, also say I want to continue to work for increased funding for the NNSA ICF program. It is below prior-year appropriations, and I would like to work together with you and colleagues to see if we can't get a request closer with congressional appropriations.

And, with that, Mr. Chair, I yield back. Thank you.

Mr. FLEISCHMANN. Thank you, Mr. Morelle. And welcome to the committee.

Mr. MORELLE. Thank you, sir.

Mr. FLEISCHMANN. At this time, I would like to recognize the gentleman from California, a great former Navy fighter pilot and actually a better baseball player than me—true story—Mr. Garcia from California, for 5 minutes.

Mr. GARCIA. Well, thank you, Mr. Chairman. And I would say a mediocre fighter pilot at best, but thank you for the flattery and the honor of being on the subcommittee. I am looking forward to it.

Madam Secretary, thank you for being here today. I apologize for not being here during your opening comments, but we have——

Secretary GRANHOLM. It is a busy day, I know.

Mr. GARCIA [continuing]. Four hearings concurrently right now.

I did read your testimony, though. And one of the things that I have been most excited about—I sit on the Science, Space, Technology Committee as well, and we have been talking small modular

reactors and the future of, you know, next-generation, smaller-scale, higher-efficiency nuclear capabilities.

One of the long poles in the tent with all of these developments nuclear-related is the waste side, and what do we do with the waste? Is there a way to not just store but maybe harness some of that and get a product of that waste that we can actually recycle in some form or capacity?

I have seen a lot of briefs, actually, from new technologies that are what look to be very promising in terms of options for recycling nuclear waste. What is the Department doing right now to not just look at the feasibility but the practicality and then the implementation of some of these nuclear recycling capabilities that do seem to be very real options for us?

Secretary GRANHOLM. Yeah. I share your interest in this area.

We know that other countries, like France, for example, reprocess nuclear fuel. In fact, at Idaho National Lab, there is—obviously, this is the lab that does so much work in next-generation nuclear, and we have been investing there in looking at and investing in companies that are using their facilities to be able to see whether we can get to a point where something like this could be affordable.

You know, in France, for example, it is hugely subsidized. So it——

Mr. GARCIA. Right.

Secretary GRANHOLM [continuing]. Is not commercially at a point where it can be successful at this point.

You know, I know that there are nonproliferation concerns. We would have to, obviously, build a whole structure around that. We all agree on that.

But we will continue to invest in this particular area, because I think it could be a—not the, but a—solution to some of the issues of waste.

Mr. GARCIA. Yeah. And I think, to your point on the cost, just like any leading technology, obviously, as we get further down the development, burn down risk, characterize things, we see the cost curves come down dramatically as well.

And so I would just encourage us all to keep looking at this——

Secretary GRANHOLM. Yep.

Mr. GARCIA [continuing]. As these are green shoots and, I think, very important options for us. It would solve a lot of our problems, not just the waste side but providing fuels as well, and there is a demand for that as well.

The second question I have is around the Strategic Petroleum Reserve. As you know, the President, over the last year, has effectively sold over 150 million barrels of oil from our Strategic Petroleum Reserve, and, to date, we really haven't seen a plan to refill that.

Are you aware of the plan to refill our reserves? What does that plan look like? And if there is no plan, what could we expect for timing of a plan, at least, so that Congress is aware of how we are protecting our energy assets?

Secretary GRANHOLM. No, there is definitely a plan. We want to get it back to where it would have been were it not for those sales.

Number one is thank you. Congress has agreed to cancel future congressional sales, about a 140 million barrels' worth. That is one piece of it.

The second is the exchanges that we do on a regular basis, we will be accelerating those.

And the third is, of course, to buy back. We have $4.5 billion left in the account after the congressionally mandated sales were taken care and funded—$4.5 billion. And we want to buy. And the goal is to buy back at a—obviously, we sold it, on average, at about $94 a barrel. We want to buy it back at below $72 a barrel. And so we will be doing that, and that will happen over the course of the next few years.

Mr. GARCIA. What is preventing—I mean, we are at $70, I think, today.

Secretary GRANHOLM. Right.

Mr. GARCIA. What does the timing look like.

Secretary GRANHOLM. Well, it is——

Mr. GARCIA. When are we getting back to healthy.

Secretary GRANHOLM. Part of the challenge is that there is another piece of congressionally mandated sales that we are required to do this year, so another 26 million barrels. And we have two sites that are down for maintenance.

So, this year, it will be difficult for us to take advantage of this low price. But we will continue to look for that low price into the future, because we intend to be able to save the taxpayer dollars.

Mr. GARCIA. When do you anticipate we get back to sort of 2021, 2022 reserve levels, before the sell-off?

Secretary GRANHOLM. We will get back to it in the next—it will take a few years, because it takes a while to—it takes longer, you are probably aware of this, to refill than it does to extract.

Mr. GARCIA. Sure. Sure.

Secretary GRANHOLM. Kind of a strange thing, but that is just true. And these sales that we are doing this year will take this year——

Mr. GARCIA. If I can with the 5 seconds, is there a high-fidelity plan that you can share with us——

Secretary GRANHOLM. Yes. Oh, for sure.

Mr. GARCIA [continuing]. That shows that plan in detail.

Secretary GRANHOLM. I will make sure I send it to your office. Yes, absolutely.

Mr. GARCIA. Okay. Thank you, Madam Secretary.

Secretary GRANHOLM. Yep.

Mr. GARCIA. Appreciate it.

I yield back, Mr. Chair.

Mr. FLEISCHMANN. Thank you, Mr. Garcia.

Madam Secretary, at this time, we will launch into a second round of questions, if time—and I think time permits.

Because of the time constraints, I am going to go through a few topics for rather quick answers, please, so we cover everything.

Plutonium pit production. Madam Secretary, according to NNSA documents, reaching the 80-pits-per-year production level will not be achievable until 2036. What is your confidence level that we can get it done in that timeframe?

Secretary GRANHOLM. We feel very comfortable we can get it done in that timeframe.

Mr. FLEISCHMANN. Thank you.

I did want to talk about exascale computing. As you know, Madam Secretary, there has been tremendous bipartisan, bicameral, administration support for supercomputing. The fastest, smartest supercomputer, the Frontier, is at Oak Ridge. We are in an international competition with our adversaries. We are doing well.

If I may, Frontier, of course, was an exascale computer. What is the next stage in supercomputing? And how do we balance new computing capabilities versus fully utilizing the machines we have today?

Secretary GRANHOLM. Yeah. We are very much supportive of all types of next-generation computing—exascale computing, quantum computing. We want to make sure that we are in the lead, and we are not going to forfeit that position.

We have in this budget $699 million that we are asking to fund the advanced scientific computing research effort, which is a $14 million increase. We know that some of the capital investments from a couple of the exascale computers are coming offline because they have been installed, but we want to make sure that we still have the funding to be able to invest in next generation. So we support it.

Mr. FLEISCHMANN. Thank you, Madam Secretary.

I do just want to mention, one of my colleagues did talk about the proposed funding cuts to the NE budget, nuclear energy budget. I just wanted to weigh in very strongly that we fully support a robust funding for nuclear energy and all that it entails in that department, and I have enjoyed working with the Under Secretary—Assistant Secretary in that regard.

Let's see. Naval Reactors, Madam Secretary, and that budget, I believe that was also touched on. But what is the status of the Columbia-class reactors and S8G prototype programs? Are they adequately funded and on schedule?

Secretary GRANHOLM. Yes. The request is going to keep support for the Columbia-class ballistic missile submarine.

And the request, which is a bit below what was enacted, is reflective of the funding profile for the spent-fuel handling recapitalization project. This was approved by Naval Reactors. This is not anything that they didn't work with us on. It is just, they are recalibrating how much they are spending on that.

Mr. FLEISCHMANN. Despite the decreases in the budget request, Naval Reactors' R&D budget has increased significantly in each of the past 3 fiscal years. What is driving this increase, please?

Secretary GRANHOLM. Well, a lot of it is similar to the things that we have been talking about in other construction areas, which is personnel, supply—supply-chain issues across the board are affecting all construction projects.

Mr. FLEISCHMANN. Thank you.

And, lastly, Madam Secretary, my distinguished colleague from California inquired about reprocessing and recycling. This is something, I believe, the Department put actually out an RFP. And I

do appreciate that the fact that the Department came out and basically said to everybody, what do we need to do?

Obviously, Yucca has its challenges. We have these large amounts of nuclear waste out there. Actually, I will call it spent nuclear fuel, to be more precise. And as we move nuclear forward, what are your thoughts? Where is the administration on this?

I was with Senator Sheldon Whitehouse from Rhode Island last night at a dinner, and he was very positive in his support for reprocessing. This doesn't seem to be a partisan issue. It is more of a—I have friends on both sides, one who is a former Secretary of Energy from the other side of the aisle who opposes me on this.

Where are we?

Secretary GRANHOLM. You know, this is why we want to continue to invest in it, because the promise of it, if we could achieve it at a cost that is effective, is, you know, very exciting, potentially.

But we have to continue to invest in the research and development, because they haven't cracked the code on how to do it in a cost-effective way in other places. And that is why we want to—we have the resources. We have the labs, we have the know-how to be able to do these kinds of things. So I am very supportive of continuing to invest.

Mr. FLEISCHMANN. Thank you.

And one last thing. I am the Republican co-chair on Fusion. Thank you for the invite to the Lawrence Livermore event. That is something we can all be proud of. We finally got more energy out than was put in.

I would also just like to note that the ITER funding level was lower. We continue to support—I continue to support ITER. ORNL does a tremendous amount of work in that endeavor. The United States owns about 9 percent of that.

So I would just encourage supporting fusion in the future.

Secretary GRANHOLM. For sure. And I neglected to say when Congressman Morelle raised this issue that that is a historic investment in fusion in this budget, a billion dollars for fusion energy, which is very exciting in the furtherance of our mutual goal.

Mr. FLEISCHMANN. Thank you, Madam Secretary.

At this time, I now recognize the ranking member, Ms. Kaptur, for 5 minutes.

Ms. KAPTUR. Thank you, Mr. Chairman.

I apologize for having to leave. Our other committee, Defense, is meeting across the hall.

Secretary GRANHOLM. You gotta do what you gotta do.

Ms. KAPTUR. Madam Secretary, I have two questions.

One, can you explain how the cost declines in solar energy have helped save consumers money and driven job growth in our country?

We know that, currently, about 20 percent of solar modules deployed in our country are domestically made. But how do we continue to capture more of that market domestically? And, you know, what are your thoughts on that?

And then the second question I will ask—and it will be my last one. DOE is under and the country is under a major ambitious nuclear modernization program. And previous NNSA Administrators and even the current head of STRATCOM have said that NNSA

can only absorb so much work at one time. I am concerned that NNSA is on an unsustainable path, driven by DOD decisionmakers that don't fully understand limitations.

What can the Department of Energy do within the interagency process to rebalance risky nuclear modernization plans while meeting defense needs?

So one on solar energy: How do we capture—and, really, any new innovative energy technology, including solar, how do we capture more of that domestic benefit, rather than just continually importing the future?

Secretary GRANHOLM. Yeah. This is a little bit of what I was trying to get at earlier, is that, you know, right now about 80 percent of solar panels are manufactured in China. And they had a strategic plan to be able to do that. China had an industrial policy to go and to buy out solar companies in the United States and to bring them to China and to build them there and to have that area of expertise.

We are saying, "No. We want to build out that expertise in the United States." And that is why the investments made from the Inflation Reduction Act to incentivize manufacturing of solar panels, components, and to incentivize the production of solar energy are doing exactly that, meaning building up a U.S. supply chain of solar in this country, starting with the companies who are already here, like First Solar and Toledo Solar in your district, giving them the opportunity to really make significant growth opportunities for the United States.

We know that the amount of solar—the cost of solar has dropped about 83 percent over the past decade. That translates into lower costs for families. So, if you give a family a 30-percent tax credit to be able to install solar, now it becomes more affordable for them to put solar on their roofs, the amount that they have to pay for that solar drops because the technology has advanced, and we have taken it to scale.

So the scaling, the technology, and the tax credits combined make for job opportunities, U.S. businesses, and, of course, a significant contribution to combating climate change.

Ms. KAPTUR. You have been an extraordinary leader, I can definitely say that, in this arena.

And I am very worried about Great Lakes communities that have fallen behind, academically, business-wise, because of what we have been through. And I can guarantee you that many communities lack the legal and financial expertise to link what you are attempting to do on behalf of the country with the tax credit benefits as well as the infrastructure, simply because that talent is not there.

Secretary GRANHOLM. Hmm.

Ms. KAPTUR. And so I would urge your department to identify places in America that have fallen behind and to work extra hard to help us find the kind of expertise that can help places tool-up to apply in a manner where they can yield the benefit.

Secretary GRANHOLM. Uh-huh.

Ms. KAPTUR. Because what I see happening right now is, the places that have expertise in accounting, in rather complicated investment planning do not exist. Flint, Michigan, and Toledo, Ohio,

are different than New York City. And I am not against New York, but the level of—well, sometimes I am, actually, when they make a mess on banking, for instance, Signature Bank and all that.

But there is a problem. And the grant programs are one issue, but when you have to integrate across departments, including taxes, we do run into significant challenges. So I am just making you aware of that.

Secretary GRANHOLM. I didn't answer your question about the——

Ms. KAPTUR. Yes. I was going to say that and now a second question.

Secretary GRANHOLM. I am so sorry about that.

Just quickly, I just want you to know that there has—I am told that we have never had as good a relationship between the Department of Energy, NNSA, and DOD as what exists right now. We are in full lockstep coordination, making sure we prioritize the right spending, what is the most immediate weapon system, et cetera.

So feel confident that there is full coordination happening, and it is happening in a very positive way.

Ms. KAPTUR. Glad to hear that, and thank you. Thank you so much for your testimony.

Mr. FLEISCHMANN. Thank you, Ranking Member Kaptur.

And I now recognize the distinguished gentleman and the chairman from Idaho, Mr. Simpson, for 5 minutes.

Mr. SIMPSON. Thank you.

Let me just ask, do you think—I mean, what NNSA does—and, in fact, I want to come down and have a classified briefing with you on some of the stuff that is going on with the NNSA. And so I will set that up.

But what they do is weapons modernization, which is always necessary; Naval Reactors and the work there that they have done, from the first Trident submarine—or, the first submarine that they put out where the fuels lasted for 18 months and had to be refueled and now it is the life of the ship sort of stuff——

Secretary GRANHOLM. Uh-huh.

Mr. SIMPSON [continuing]. Naval Reactors; and nonproliferation.

Do you really think our adversaries, Russia and China, care what the Department of Defense and whether our NNSA can handle what they are requesting? I mean, doesn't the Department of Defense need that stuff that they are asking for?

Secretary GRANHOLM. Oh, absolutely, they do.

Mr. SIMPSON. Yeah. That is my only question. I mean, it is frustrating for us on this committee, because we sometimes—in fact, Secretary Moniz wanted to take NNSA and put it somewhere else, because it was always a challenge in our budget. But it is an important part of our budget.

Secretary GRANHOLM. It is.

Mr. SIMPSON. And we don't do this stuff lightly. It is something that is necessary.

Let me ask a couple other questions that I just—I always like to stay for the whole hearing, because these are not questions I was going to ask but they came up as I was listening to other members.

When you are talking about a new laboratory for these purposes and stuff, I am sitting there going, well, you have NREL. Wouldn't

that be a place to educate some of these people that you are talking about?

Even in Idaho, you have a case out there that is a State and university building and laboratory right next to the buildings at the INL that does just exactly what you are talking about.

Can't you do the same thing using the laboratories that we currently have, without building a new laboratory?

Secretary GRANHOLM. Well, I think that the discussion about what the form of this lab is is a ripe discussion, but I do think that it would be more challenging for Idaho or for NREL to really fully diversify or to get that full opportunity to get the access to the talent that are at the HBCUs, the MSIs, because they are not physically located.

So we want to have this discussion, we want to do it right, but we also want to make sure we tap into the talent that is out there. And right now we are missing it.

Mr. SIMPSON. And we do have—and I agree, we are going to need nuclear reactors—or, nuclear——

Secretary GRANHOLM. Engineers.

Mr. SIMPSON [continuing]. Engineers and those type of people in the future. In fact, if you look at the age of those people right now, they are going to be retiring, and we are going to have a gap in there.

Secretary GRANHOLM. Yeah.

Mr. SIMPSON. So we need to do that. But that is why we have the University Program that we have funded through—I don't know. It has been kicked back and forth. Where is it now?

Staff. In the NRC.

Mr. SIMPSON. Yeah. Both in the NRC—we have kicked it back and forth. But the NRC has the University Program to help educate these people and bring them into the field and stuff.

Secretary GRANHOLM. Yeah.

Mr. SIMPSON. So this is a conversation we ought to have. How is the best way to do it and stuff?

And, lastly, I don't want to—I shouldn't bring this up, but I will.

Secretary GRANHOLM. Uh-oh.

Mr. SIMPSON. And I am not—when I walked in, there was kind of a heated conversation going on here between the gentleman from Pennsylvania, who is a friend of mine, and yourself. And I will be the first to admit, I heard the comment on TV and my first reaction was, "That has to be a clip."

And I got the impression, listening to you, that you had something you wanted to say but were kind of cut off from saying that. Do you want to say anything about that?

Secretary GRANHOLM. I would like to say——

Mr. SIMPSON. Go ahead.

Secretary GRANHOLM [continuing]. That China has been horrible on emissions, on human rights, and they have also invested enormously in clean energy. Both can be true.

What we want to learn is that they have taken the clean-energy side and created monopolies, almost, on supply chains by those investments. They have made themselves, strategically, the whole supply chain for batteries, for example. And we need to not stand by any longer and let that happen.

I mean, you know, Ranking Member Kaptur and I come from the Midwest, and we saw all of these manufacturing facilities leave to China for decades, and we did nothing about it. Now is our moment to say, "Enough. We want the supply chains here, and we are going to have our own strategy to be able to make us the indispensable, irresistible nation to invest in."

And that is what I meant, is that we need to learn from what they did and take it back.

Mr. SIMPSON. Thank you. I thought there must be more to that comment than what I saw in the news. But thank you for——

Ms. KAPTUR. Will the gentleman yield at some point.

Mr. SIMPSON. Sure.

Ms. KAPTUR. I just wanted to say, in the steel industry, we know what China did. We have the pattern. It is out there.

Mr. SIMPSON. Yup.

Ms. KAPTUR. They produced four times as much as the world consumed and then strategically dumped.

Come to Lorain, Ohio, come to Cleveland, where we have just finally, through Cleveland-Cliffs, begun to restore the steel industry of this country, and see the devastation that people have had to endure.

So I just wanted to put that on the record. And now it is going to happen. And they have learned from that what the Chinese——

Mr. SIMPSON. Yup.

Ms. KAPTUR. They have learned what to do. And it is hurtful. It is very hurtful. So——

Mr. SIMPSON. As was mentioned earlier——

Ms. KAPTUR. Predatory.

Mr. SIMPSON [continuing]. Solar panels aren't made in the United States.

Ms. KAPTUR. Exactly.

Mr. SIMPSON. And they should be made——

Ms. KAPTUR. Well, some are, but——

Mr. SIMPSON [continuing]. In this country.

Ms. KAPTUR [continuing]. Yes, you are right.

Mr. SIMPSON. Yeah, but, I mean, they should be made in this country.

Ms. KAPTUR. They should be made here. That is exactly right.

Mr. SIMPSON. And you could go through the list of things that are that way.

Ms. KAPTUR. Right.

Mr. SIMPSON. The whole supply chain, all the way down to critical minerals and so forth.

Ms. KAPTUR. Uh-huh. Exactly.

Mr. SIMPSON. So, anyway——

Ms. KAPTUR. Thank you for the opportunity.

Mr. SIMPSON. You bet. Thank you. And I look forward to working with you on this.

Ms. KAPTUR. Likewise.

Mr. SIMPSON. Thank you.

Mr. FLEISCHMANN. Thank you, Mr. Chairman and Ranking Member Kaptur.

At this time, I would like to recognize Ms. Wasserman Schultz for 5 minutes.

Ms. WASSERMAN SCHULTZ. Thank you, Mr. Chairman.

And, Chairman Simpson, you know, what you did just now proved yet again what we all know, that you are a class act.

Mr. SIMPSON. Thank you.

Ms. WASSERMAN SCHULTZ. So thank you for that indulgence and for not having me have to ask the Secretary a question to essentially have her clean up the same thing since she wasn't allowed to talk. So we appreciate it very much.

Secretary Granholm, the electric grid faces thousands of natural, manmade, and cybersecurity threats every day. Can you discuss the biggest threats that the electric grid faces, how the Department responds to them, and then what investments we need to harden the grid against future threats?

Secretary GRANHOLM. Yeah.

First of all, I think cyber is a huge threat, clearly; extreme weather events are a huge threat; and the size of the grid, meaning it is too small for what we need to do to get to the goal of 100 percent clean electricity by 2035. All three need to be addressed.

On resiliency, true, the Bipartisan Infrastructure Law, there was some money, $20 billion, for the grid, which is important. It is being run through our Grid Deployment Office, and they have put out requests for proposals on those particular components. But it is not enough. The undergrounding of key infrastructure in high hurricane areas or high fire areas, there is just not enough to be able to do that in addition to just the capacity that is needed.

Cyber-wise, our CESER office is really focused on making sure that we have built in the United States the transformers and the pieces of the supply chain that, again, have been built in other countries. And so that piece of things, while we got some funding for that, it is still not going to be enough.

These are things for the committee to consider going forward, in terms of what we really need to fund to shore up our own security—our own energy security and energy independence. And those three things are the most important pieces for the grid.

Ms. WASSERMAN SCHULTZ. That is really helpful. And, obviously, capacity is an issue. We have to ramp up significantly.

And so that is what surprised me, really shocked me, when the Governor of my State, Ron DeSantis, actually turned down Federal cybersecurity dollars to help our local governments harden their infrastructure. Florida was the only State, other than South Dakota, to not have applied for these funds for their local governments.

Communities like Broward County, Hallandale Beach, Fort Lauderdale that I represent got nothing, because he just left money on the table. You have counties and cities across my State that need access to those dollars that have to expand capacity, that have to harden—I mean, we are in Florida. We have a lot of hardening needs.

But, you know, obviously, Governor DeSantis is running for President, so he chooses to play politics instead of leveraging the resources that President Biden's popular infrastructure law was able to help provide our local communities. I mean, he actually refused to apply for the funding. It is mind-blowing.

So he is failing Floridians. I think it is important to underscore that, since it was two States in the whole country. You know, we

are getting some foreshadowing on what the whole country can expect. So, just wanted to put that on the table.

And, then, we had a tremendously successful 117th Congress. Democrats passed the Inflation Reduction Act. You referenced some of the benefits of it. We came together to pass President Biden's Bipartisan Infrastructure Law. And some of the funding from these bills is going to the Department of Energy and then eventually down to our local governments.

So can you share how your department provides local communities with the resources to lower their energy bills and pay for energy-efficient home upgrades?

Secretary GRANHOLM. Let me just—I will just focus on two things.

One is the tax credits—the tax credits that are associated with allowing people 30 percent off for installing solar panels, 30 percent off for installing charging equipment, a $7,500 tax credit for the purchase of an electric vehicle, or a $4,000 tax credit for the purchase of a used electric vehicle. All of these pieces obviously lower people's bills.

But in addition to that, you all—thank you very much—supported rebates. Those rebates will be made available before the heating season. But that will give people the ability, especially low- and moderate-income people, the ability to have heat pumps, to take significant amount of funding off of that if they have to change out their HVAC system.

In fact, if you combine all of the rebates and the tax credits into one bucket for a low- or moderate-income family, it could be $17,000 off of the equipment——

Ms. WASSERMAN SCHULTZ. That is great.

Secretary GRANHOLM [continuing]. That will ensure that they will pay a lower bill going forward.

So there is a huge amount of help in these bills for citizens all across the country.

Ms. WASSERMAN SCHULTZ. Thank you so much.

Thank you, Mr. Chairman. I yield back.

Mr. FLEISCHMANN. Thank you, Ms. Wasserman Schultz.

At this time, I would like to recognize the gentleman from California, Mr. Garcia, for 5 minutes.

Mr. GARCIA. Thank you, Mr. Chairman.

Madam Secretary, in the fiscal year 2023 bill, we had about $163 million in emergency supplemental funding for nonproliferation efforts in Ukraine.

First of all, can you explain, what exactly are we doing? I mean, that comes out to, like, $13 million a month, half-a-million a day. What does that scope entail?

And then what is in the fiscal year 2024 budget? I haven't seen that.

Secretary GRANHOLM. So I just want to make sure I am—I want to say what I can in open session.

Mr. GARCIA. Sure. And we can answer this in another setting if you would prefer to do that.

Secretary GRANHOLM. Let me just give you a general answer, is that there has been a lot of focus on detection of whether there is an event and the equipment that is necessary for that; training of

Ukrainian personnel to be able to operate those pieces and be able to do that detection; work with the IAEA on the presence at facilities that are there, including the Zaporizhzhia and the other nuclear facilities.

So it is those kinds of things that they have been working on. And I must say, the team that has been working on this has been up—I mean, they are just on this 24/7 to make sure that the Ukrainians are safe and are not exposed.

Mr. GARCIA. Is the budget footprint in 2024 similar to what we saw in 2023, and then the scope similar, same-same?

Secretary GRANHOLM. I think—I believe so, but I just want to confirm.

Mr. GARCIA. Okay.

Secretary GRANHOLM. I am getting nods. Yes.

Mr. GARCIA. Okay. If possible, I would love to get a deep-dive brief on that in the right location.

Secretary GRANHOLM. Yeah. We will follow up.

Mr. GARCIA. So we talked about the recycling side of this. Last year, we had—well, actually, the President's budget has about a billion dollars set aside for fusion activities. But we don't have the HALEU sources; is that right?

So how do we do fusion and support fusion with no tritium? What are we doing with this money?

Secretary GRANHOLM. So the HALEU, of course, is for the advanced fission reactors. And there is a $700 million plug there from the—is it from the bipartisan?—it was from IRA, so the Inflation Reduction Act. That is one component. There was another $132 million for uranium in the nuclear budget.

So, you know, you are starting to see a good slug. We are going to be putting out a request—a funding opportunity announcement related to those pieces very soon. It is currently in interagency review.

So that is one piece.

Mr. GARCIA. Okay.

Secretary GRANHOLM. It is not the only piece, though. I mean, we have to shore up—we have to have an overall uranium strategy. HALEU is one piece, but LEU is another piece—low-enriched uranium.

So we have to have a more comprehensive view as a Nation so that we are not reliant upon Russia. Russia right now is the supplier of HALEU. It is not acceptable.

Mr. GARCIA. Right. Okay.

Secretary GRANHOLM. And so we have to build up our own supply here. We are doing some of the down-blending of high-enriched uranium through our NNSA facilities, but it is not going to be enough. We need to do a full-on strategy on uranium.

Mr. GARCIA. Agreed.

Okay. Thank you, Madam Secretary.

I yield the balance. Thank you, Mr. Chair.

Mr. FLEISCHMANN. Thank you, Mr. Garcia.

At this time, I would like to recognize Ms. Lee for 5 minutes.

Ms. LEE of Nevada. Thank you, Mr. Chair.

As you know, the EPSCoR, the Established Program to Stimulate Competitive Research, is an absolutely critical program for re-

search institutions in Nevada and across the country. In fact, institutions across 25 EPSCoR States rely on this funding to expand their contributions to critical energy research and innovation.

The CHIPS and Science Act, which I was proud to vote for last summer, authorized increasing the Department's EPSCoR funding from an estimated $150 million in fiscal year 2023 to about $1 billion in 2027.

However, I have heard from research institutions in Nevada concerns that the fiscal 2024 budget request for EPSCoR is not on track with the plan that Congress laid out in the CHIPS and Science Act. Specifically, the Department requested $35 million in EPSCoR for fiscal year 2023, but in 2024 the request is heading in the wrong direction, to $25 million.

So could you take a minute to explain why the Department is calling for decreased EPSCoR funding in 2024?

Secretary GRANHOLM. I am just double-checking on this. My information was that the EPSCoR amount for 2024 was the same as 2023.

Ms. LEE of Nevada. The same.

Secretary GRANHOLM. Enacted. Of the enacted amount.

Ms. LEE of Nevada. Okay. Yeah, that is—boosting EPSCoR funding is incredibly important for Nevada institutions and a top priority for me, so——

Secretary GRANHOLM. Great.

Ms. LEE of Nevada [continuing]. I would like to continue to advocate for that.

Secretary GRANHOLM. I would like to work with you on that.

Ms. LEE of Nevada. Thank you.

And that is it. I will yield.

Mr. FLEISCHMANN. Thank you, Ms. Lee.

At this time, I would like to recognize Mr. Morelle of New York for 5 minutes.

Mr. MORELLE. Thank you, Mr. Chair.

I want to come back—I feel a little bit like a dog with a bone—on ICF facilities. And I apologize, I wasn't here to hear your testimony, but I read what you submitted yesterday. You talked in your testimony about the aging and evolving nuclear stockpile, evolving threats to our nuclear deterrence, and expanding interest for fundamental discovery in high-density science.

Despite the demand that I think is going to continue to be placed on these facilities, including, again, the one, OMEGA, that I represent in Rochester, I think there has been, or there is an estimate—because there hasn't been major infrastructure improvements, I think, for a couple of decades in these facilities, and I note they have identified somewhere in the region of $650 million in sustainment needs for the next 5 to 10 years from an infrastructure point of view.

I know that the Department recently submitted the 10–year facility and infrastructure plan required by Congress. Can you just comment a little bit on the needs and the necessity for ensuring we continue to have these capabilities in the future?

Secretary GRANHOLM. Yeah. I mean, across the board——

Mr. MORELLE. Yeah.

Secretary GRANHOLM [continuing]. We have an aging infrastructure. And across the board, if we want to have, for example, a nuclear stockpile that is safe, secure, and effective, we have to upgrade these facilities.

We have to upgrade them for just purely pragmatic reasons, because many of them are falling apart, and we have to upgrade them if we want to attract the talent to be able to ensure that we have a workforce capable of the high level of knowledge that is necessary to be able to sustain, you know, modernization activities.

So, critical to be able to invest in this infrastructure.

Mr. MORELLE. And does the spending plan now and do you anticipate in the future at least address some of these concerns?

Secretary GRANHOLM. It does address some of them. Clearly, we need to continue to improve on the investments. But we and the Department of Defense are comfortable that we are working at the right pace both on the life extension programs as well as the facilities that are under NNSA.

Mr. MORELLE. Well, and I would love to offer my help to you and the Department as we move along to try to secure the necessary resources to do this, so thank you.

Secretary GRANHOLM. Thank you.

Mr. MORELLE. Just to quickly change, and then I am happy to yield back—and I thank you, Mr. Chairman, for allowing me a second bite at the apple here—I wanted to talk about clean hydrogen production. I have heard you speak on it. I know you are someone who supports it.

In my district as well as across upstate New York, my friend Paul Tonko, who represents the Albany area, represents a company in both of our districts, Plug Power, and they are operating a clean hydrogen and fuel cell gigafactory. They employ nearly 300 New Yorkers in manufacturing key components for fuel cell engines, electrolyzers, which produce clean hydrogen.

I note that a number of States, including my own, with over 100 partners, have come together to form the Northeast Clean Hydrogen Hub. And we do plan to apply to receive funding through the new regional clean hydrogen hub program created in the infrastructure law. And we, I think, want to work to build a robust market for clean hydrogen. It creates new economic opportunities, obviously helps address the climate goals.

I am just—I know the application period, I think, runs through April 7. What can we expect in terms of what the process will look like post-April 7? And how can we support local advocates who are pushing for that hub? Any tips?

Secretary GRANHOLM. Well, as you know, it is a competitive process, so——

Mr. MORELLE. Yes. Yes, of course.

Secretary GRANHOLM [continuing]. Generically, what I will say is that the review of these might take a little bit longer than your average funding opportunity announcement because of the complexity and the partnerships that are in, I know, a lot of the applicants.

We will also do a whole vetting of everybody, as well, to make sure that we are creating an American opportunity and that there is not——

Mr. MORELLE. Do you have a sense just in terms of, is this a 6-month, an 8-month—do you have any—have you given any thought to that?

Secretary GRANHOLM. I think that by the fall there will be the beginnings of negotiation with the selectees, but I don't want to——

Mr. MORELLE. Yeah.

Secretary GRANHOLM [continuing]. I don't want to say for sure.

Mr. MORELLE. No.

Secretary GRANHOLM. It will definitely happen this year.

Mr. MORELLE. Gotcha.

Secretary GRANHOLM. It is just a question of how many months out, because they will take their time to do it right.

Mr. MORELLE. Yeah.

And aside from my flippant remark about "any tips," but, like, from your perspective, what are the priority elements that you are looking for in terms of applications?

Secretary GRANHOLM. Well, first of all, I think it is important that everybody—everybody has been very excited about hydrogen hubs, and that is great. We want to create a whole hydrogen economy.

This opportunity through the bipartisan infrastructure law is really on the supply side, right? We need to create a hydrogen economy on the demand side as well. And so what we are saying to all applicants is, make sure you have off-take in your hub so that we can ensure that this is not just being built without customers.

Mr. MORELLE. Thank you.

And, Mr. Chairman, thank you for your indulgence. I yield back.

Mr. FLEISCHMANN. Thank you, Mr. Morelle.

With that, Madam Secretary, I want to thank you again for appearing before us today and for a substantive hearing. We look forward to working with you, and please feel free to reach out to us at any time.

And I thank you. You have a very difficult job, but the Department of Energy is so critically important to our great Nation and to our future. Thank you.

Secretary GRANHOLM. Thank you so much.

Mr. FLEISCHMANN. With that, we stand adjourned.

[Questions and answers submitted for the record follow:]

QUESTIONS FOR THE RECORD
SUBCOMMITTEE ON ENERGY AND WATER DEVELOPMENT
AND RELATED AGENCIES
U.S. HOUSE COMMITTEE ON APPROPRIATIONS

Hearing on Fiscal Year 2024 Budget Request for the Department of Energy
Thursday, March 23, 2023

Questions for Secretary Granholm

1. EMDI

The FY24 budget request shows increasing costs and schedule slips for many of the programs and projects (pits, secondaries, lithium, etc.) that are key to nuclear forces modernization. Though it is not mentioned in the budget, to what extent does NNSA believe that its Enhanced Mission Delivery Initiative (EMDI), outlined in a September 2022 report, will allow the agency to recover schedule and reduce cost overruns? Please provide specific examples.

A1. The Enhanced Mission Delivery Initiative (EMDI) is a long-term effort to create a culture of urgency and maximize organizational efficiency and productivity to meet both immediate mission needs as well as the evolving needs of the global security environment. While several accomplishments have resulted from the EMDI initiative, it is difficult to measure the schedule and cost savings effects of EMDI so soon after its implementation. Likewise, due to the innovative nature of this initiative, pilot programs and projects that have never existed before are being developed, thus making it difficult to prove causal relationships and provide evidence of their success before they have had the opportunity to be implemented at the fullest scale. NNSA will continue to provide updates on EMDI as requested.

Examples of successes produced by EMDI recommendations that affect cost and schedule include the following:

EMDI Recommendation 9:

- NNSA's management and operating (M&O) contractor for the Lawrence Livermore National Laboratory was able to take advantage of discounted pricing due to a streamlined review process. The subcontractor bid for the Digital Infrastructure Capability Expansion project was valid until August 18, 2023. However, if the fully executed subcontract date of July 18, 2023, was met, Livermore National Security's (LLNS) subcontractor would discount its price saving NNSA approximately $400,000. Livermore Field Office (LFO) received the subcontract action on June 23, 2023. Head of Contracting Activity (HCA) consent was granted on June 28, 2023, then the Office of Infrastructure (NA-90) approved Critical Decision (CD) 2/3 on July 5, 2023. The subcontract was executed and finalized on July 13, 2023.

- NNSA was able to resolve a complex issue related to a requirement being handled by the Nevada Field Office for a classified procurement. Due to the emphasis in the pilot on risk identification, the Contracting Officer (CO) identified the risk early, paused the procurement and reached out to the HCA. The HCA had a conversation with the purchasing office and was able to resolve the issue. The pause time took 4 working days. Prior to EMDI 9, it is likely that this process would have taken significantly longer due to the review and approval process. The EMDI pilot allows risks to be identified early and raised to the appropriate level.

2. <u>Production Modernization</u>

NNSA has reportedly adopted a strategy of focusing resources on a reduced number of high-priority projects within its Production Modernization portfolio while decreasing the resources allocated to other projects, which will be delayed. How did NNSA prioritize selected production modernization projects over others?

A2. NNSA rebalanced the line-item construction portfolio in recognition of the enterprise's capacity to execute construction and the most urgent mission needs. This realignment takes into consideration specific sites' abilities to execute simultaneous construction projects. To this end, NNSA has paused certain projects to allow limited resources, such as craft labor and funding, to be focused on the timely completion of the highest priority projects.

The FY 2024 budget request reflects this strategy and the difficult prioritization decisions NNSA made, including pausing the following projects: the Energetic Materials Characterization Facility (EMCF) at LANL; the High Explosives Synthesis, Formulation and Production (HESFP) facility at Pantex; and the Tritium Finishing Facility (TFF) at SRS.

NNSA has been analyzing the projects at, or planned for, each site to anticipate bottlenecks and identify ways to maximize the resources available to support timely execution. At sites with multiple projects in similar stages of execution, NNSA found that a pause on one project would allow limited resources (especially labor) to be focused on the timely completion of the highest priority project(s). NNSA considered the risks to weapon system deliverables or other requirements and the availability of mitigation or bridging strategies, infrastructure age, and other criteria, in determining whether to pause a project. This analysis is reflected in the FY 2024 budget request.

Deferring TFF for three years will allow for the sequencing of design and then craft resources to focus first on the Savannah River Plutonium Production Facility and then TFF. NNSA considered the programmatic risks and found that deferring completion of TFF should not significantly increase near-term mission delivery risks as H-Area Old Manufacturing Facility can remain operational until TFF is finished. FY 2022 carryover and FY 2023 funding will be used to bring the TFF design to 30 percent completion and to execute the site prep subproject before the project is paused.

In the case of HESFP, recent operational challenges at the Pantex site suggested a holistic review was needed to prioritize critical investments at the site. NNSA found that HESFP is at an opportune time for a pause, as it has reached CD-1 and will complete its design in FY 2023. A three-year pause would not significantly increase risk to mission delivery as HESFP's current schedule does not support the production of W80-4 material or W87-1 development lots. However, Indian Head's production capability is scheduled to come online significantly earlier to meet final W87-1 main charge development and production, which will mitigate Holston-related production risks. Indian Head also affords an opportunity to support the W80-4 war reserve production runs, which could serve as an additional risk mitigation if Holston is unable to meet program requirements.

3. ECSE

Enhanced Capabilities for Subcritical Experiments (ECSE) will help address a critical science gap in NNSA's ability to certify changes in the stockpile due to aging of components and modernization efforts. Both ECSE projects-Advanced Sources and Detectors (ASD) and Neutron Diagnosed Subcritical Experiments (NDSE)-face delays and cost increases, which threaten stockpile stewardship goals. What actions has NNSA taken to improve its management of science and technology development projects that are necessary to support stockpile stewardship?

A3. NNSA is pursuing several projects that will provide long-awaited capabilities for subcritical experiments underground in Nevada, though these projects face cost and schedule challenges similar to those of other major construction projects, to include limited supplier options for major procurements and ongoing supply chain disruptions. NNSA has a variety of mitigation efforts to address these cost and schedule delays for the ECSE projects, including identifying multiple vendors, engaging with them early in the design process, and ensuring that NNSA procures prototype parts to test manufacturing capabilities. As contracting processes are complex and involve multiple sites with different procurement processes, NNSA continues to coordinate with its sites and field offices to make long-lead procurements, follow procurement management plans, and perform procurement readiness assessments to implement corrective actions.

NNSA will also apply appropriate management processes to address risks. Processes will consider risks related to the integration of efforts across several different program elements and the ECSE portfolio.

4. APM Reorganization

In 2022, NNSA implemented a significant reorganization of its contract, project, and infrastructure management offices. What is the status of implementing the reorganization? What benefits have been achieved to date? What challenges have been encountered? When does NNSA expect to have permanent leadership in place for these offices?

A4. In July 2022, the Office of Safety, Infrastructure, and Operations (NA-50) and the Office of Acquisition and Project Management (NA-APM) were restructured into three new offices. Elements of NA-50 focused on safety and enterprise stewardship formed the new Office of Environment, Safety and Health (NA-ESH). Elements of NA-APM focused on contract management formed the new Office of Partnership and Acquisition Services (NA-PAS). Elements of NA-50 and NA-APM focused on construction project management, infrastructure

modernization, and recapitalization formed the new Office of Infrastructure (NA-90). Permanent leadership of all three new offices has been in place since July 2023.

This reorganization has allowed the agency to strategically manage management and operating partnerships for mission delivery, position the agency for success in growing infrastructure revitalization efforts, and continuously improve the development and implementation of environment, safety, and health programs and systems. By focusing on functional area deliverables, NA-90, NA-PAS, and NA-ESH are better able to support program offices and the nuclear security enterprise while clarifying roles and responsibilities, improving communications, and strengthening career development pathways and succession planning.

In response to the Government Accountability Office (GAO) and the Consolidated Appropriations Act of Fiscal Year (FY) 2023, NA-90, NA-PAS, and NA-ESH established performance measures designed to measure each office's success. The report, which provides additional detail about NNSA's performance measures for this reorganization and each new office's progress toward meeting them, is scheduled to be delivered to Congress by the end of 2023. The report will be updated annually over the next four years.

5. Hanford: Direct-Feed Low Activity Waste

At the Hanford Site, EM had projected that Direct-Feed Low-Activity Waste (DFLAW) operations will begin in 2023. What is EM's current DFLAW hot commissioning operations start date? What challenges does DOE face in starting and sustaining DFLAW operations? How, if at all, will operations of the Waste Treatment and Immobilization Plant (WTP) for DFLAW and potential future high-level waste impact EM's future budget needs at the Hanford site?

A5. DOE is committed to starting up the Direct Feed Low Activity Waste System in a safe and deliberate manner. With the melter heat up process underway, progress continues to be made toward achieving hot start of the System in FY 2025 which is within the legally required schedule of August 2025. As with any complex first-of-a-kind capability, starting and sustaining operations requires constant vigilance to identify and address any emerging challenges as well as robust management and oversight. The 2024 request ramps up funding

with a substantial investment of $3 billion for the Hanford Site mission to clean up the environment and protect workers, the community, and the Columbia River.

6. Savannah River Site

In DOE's 2024 budget justification, the Savannah River Site would see a budget decrease of about $50 million compared to last year. Please describe how the Savannah River Site will absorb that budget decrease and what impact, if any, it will have on the cleanup mission at this site.

A6. The Office of Environmental Management has made considerable strides in its cleanup efforts at Savannah River. The reduction primarily reflects the initiative to fund directly legacy pension requirements. The reduced pension contributions in Fiscal Year 2024 will not have an impact on the cleanup mission.

7. End-State Contracting

EM has started implementing its End State Contracting Model across the EM complex. GAO reported in 2022 that DOE has approved undefinitized contract actions, which authorize contractors to begin work and incur costs before reaching a final agreement on contract terms, such as scope of work, cost, and schedule. EM has also made claims about the benefits of the model without measuring performance goals. What measurable goals has EM established and what are the results thus far?

A7a. From a pre-award perspective, EM has worked on process improvements to our procurement lifecycle time metric and consistency. In addition, we need to attract new entrants to our market to ensure a robust industry base that includes small businesses. We have seen tremendous success with the End State Contracting Model (ESCM) in attracting new entrants due to: lowering the cost of entry in proposal development costs; shorter cycle time from release of a request for proposal to award; and reduction in the protest risk associated with EM's contract awards. These are measurable goals. From a post-award perspective, EM's goals include better integration between acquisition and technical staff, more equitable risk sharing with EM's contractors, better defined scopes of work, better communication/partnering with the Contractor, and fewer contract changes. Although we are still very early in execution of the ESCM at six of our sites, current lessons learned show progress in achieving these measurable goals. EM has required the

establishment of a 10-Year Strategic Task Order Plan for each end-state contract to ensure effective execution of mission requirements. EM is monitoring adherence to the strategic task order plans, including the defined goals, milestones, and end states on each contract. EM holds routine partnering sessions with the end state contractors, ensuring continued mission alignment. Furthermore, task orders have performed with zero changes, demonstrating better defined scopes of work. Task Order prices are much closer to the independent government estimate due to better defined scopes of work and more clear risk sharing expectations that become the basis for change control.

What is EM doing to ensure it has the right level of staff with the right training to implement End State Contracting across the EM complex?

A7b. EM increased sharing of resources through our EM Consolidated Business Center (EMCBC) and Headquarters to supplement the field during surge needs. In addition, due to a higher than usual attrition rate, EM hired approximately 100 additional professionals in FY23. Many of those positions involve oversight of End State Contracts (ESCs). EM has additional plans to add personnel in FY24 to ensure adequate succession planning and continuity of mission. EM very recently brought in an external entity to conduct an independent assessment of EM's acquisition and acquisition support staff. The external entity concluded that EM sites will have adequate resources once their approved vacancies are filled.

The EMCBC established the EM Career Acquisition Program (ECAP) to continually develop a cadre of trained and experienced acquisition professionals to support the EM cleanup mission across the remaining field sites. The ECAP recruits and trains entry-level to mid-level acquisition professionals to carry out the EM mission with mobility to support current and future needs across the EM complex.

For training, EM contracted with a training vendor to develop a course tailored to End State Contracting. EM recently established a position to serve as a training coordinator for End State Contracting. This position will work with Field acquisition staff to identify training needs and coordinate the delivery of training to EM's Field Sites. The

main objective of the training is to provide staff with opportunities to practice carving out scope of work from cleanup strategies that achieve real risk reduction and can retire environmental fiscal liability, as well as how to do this with concurrent Task Orders to manage a federal facility.

Why is EM allowing undefinitized contract actions-what led to this situation and what is being done to eliminate it?

A7c. Undefinitized contract actions are permitted by the Federal Acquisition Regulation. Undefinitized actions occur in situations where insufficient time exists to put a contract, task order or contract modification in place. One of the goals of ESC was through better partnering between the contractor and EM, EM would see a decrease in undefinitized contract actions. Early lessons learned with the very first ESC, indicated to EM that 60-days was not enough time to perform safe transition of the workforce from the outgoing contractor and negotiate new clearly defined scopes of work with express risk sharing. As a correction, EM has extended the period of performance for the Implementation Period Task Order by 60 days which has allowed greater time to strategize and award End State task orders without impacting the mission, disrupting the workforce or relying on undefinitized contract actions. This change has reduced the number of undefinitized contract actions.

8. <u>Nuclear Smuggling Detection and Deterrence</u>

What is NNSA/NSDD's plan to replace aging Russian-made radiation portal monitors in certain countries bordering Russia such as Armenia, Kazakhstan, and Uzbekistan? Please include details on the resources required to implement the plan.

A8. NSDD no longer deploys Russian-made systems ("Aspect" systems).

Historically, these systems were deployed in Armenia, Kazakhstan, Uzbekistan, and Ukraine. Due to the on-going conflict, NSDD currently is unable to replace Aspect systems in Ukraine. NSDD plans to assess the state of equipment in Ukraine when it is safe to do so and will support rebuilding counter nuclear smuggling capabilities with U.S. systems, where possible.

As part of its continued sustainability efforts, NSDD is replacing some of the previously deployed Aspect systems in Armenia, Kazakhstan, and Uzbekistan as they reach the end of their service life, which can be up to 20 years. Based on its current planning, NSDD expects to have replaced approximately 10% of Aspect systems in these three countries by the end of FY 2024 at a cost of $9 million. In FY 2025 and beyond, NSDD plans to continue replacing Aspect systems that have reached the end of their service life in these countries, where possible.

A large-scale replacement campaign could be challenging to implement for several reasons, including political considerations of NSDD partners, impact on operational border sites that have functioning systems, and opportunity costs associated with delaying other priority NSDD work. NSDD has made great strides in shifting away from a focus on radiation portal monitors at points of entry and has initiated efforts to expand its integration of more mobile and flexible detection capabilities into existing security operations. NSDD is placing increased focus on cooperation with law enforcement and internal security services *within* partner country borders, enhancing layered defenses to complement existing border security capabilities. Shifting focus to replacement of Aspect systems would complicate or delay current mission plans, agreements, and understandings with partners. An additional consideration is that once NSDD installs detection systems, ownership of the systems is transferred formally to the partner country. Because of this, NSDD is limited in its ability to require replacement of previously deployed Russian systems with U.S. systems.

Chairman Fleischmann

1. Fusion Energy

This year's budget proposes an increase of over $275 million to advance the U.S. fusion program by supporting public private partnerships, establishing new fusion energy research and development centers, and future fusion facilities studies.

Question: Public private partnerships and fusion pilot concepts seem to take fusion energy sciences beyond the bench scale and into the potential realm of commercialization, is that an appropriate role for the Office of Science? Do you anticipate the Office of Nuclear Energy or the Office of Clean

Energy Demonstrations taking either a leading or supporting role at some point?

A1a. One of the goals of the Fusion Energy Sciences program is to build the scientific foundations needed to realize breakthroughs that will enable a domestic commercial fusion energy source. This includes structuring the U.S. fusion program with appropriate use-inspired research from the private sector. The prospect of commercializing fusion energy is very exciting; however, there remain significant scientific and technological gaps that present significant challenges in translating fusion energy technologies to the private sector. These gaps will not be met by simply improving today's technologies. Therefore, we believe that the Office of Science (SC) has a critical role in catalyzing the breakthroughs required for developing fusion energy. With the launch of the Milestone-Based Fusion Development program, SC is demonstrating that it can lead these important use-inspired efforts that will accelerate the development of fusion energy. We also agree that subsequent activities that translate the breakthroughs developed in the Fusion Energy Science program to commercialize fusion energy should be the responsibility of a DOE Office outside of SC. However, we strongly believe that these translational activities should be a partnership between DOE and the private sector. Other successful industries, such as the semiconductor industry, have demonstrated that public-private partnership models can be successful in closing translational development gaps. Moreover, closely coupling a strong foundational scientific program in SC with this public-private partnership is essential for the success of realizing a thriving domestic fusion energy industry.

In addition, the budget request proposes a reduction to ITER and ongoing fusion research activities.

Question: How will you strike the right balance to ensure that our ongoing fusion research program remains strong while providing the right amount of support to these new initiatives?

A1b. Striking the right balance between supporting ongoing fusion activities, establishing new initiatives, and addressing key scientific and technological gaps that remain for realizing commercial fusion energy is critical for the success of our program. To provide guidance to our program development, we have and will continue to utilize the Fusion Energy Sciences Advisory Committee Long-Range Plan (LRP) report "Powering the Future: Fusion & Plasmas." In the case of ITER, these investments are important because the experience and intellectual property gathered through our participation in this major fusion project supports both public and private fusion efforts. The fusion community was very clear about this point through the Community Planning Process and the LRP activities. We believe that support for ITER should be balanced

and integrated with new initiatives. Establishing a roadmap towards fusion energy that will define and prioritize areas of research can help establish and achieve the right balance. In addition, finding synergies between discovery plasma science and fusion energy can both help strike the right balance in our research portfolio and broaden the impact of the U.S. fusion program in a wide range of applications, from microelectronics to astrophysics. Finally, the ongoing DOE's fusion research program supports the development of a well-trained diverse workforce that will be critically important for the success of both public and private fusion efforts.

Ranking Member Kaptur

1. Build America Buy America Act Compliance

Question: Please describe the current status of DOE's implementation of the Build America Buy America Act for the Infrastructure Investment and Jobs Act and the Inflation Reduction Act.

A1. DOE seeks proposals that expand good jobs through explicit strategies and actions designed to attract, train, and retain a skilled diverse workforce domestically; foster safe and healthy work environments; reduce the risk of work slowdowns or stoppages; and ensure the efficient and effective use of taxpayer funds. DOE's ongoing implementation of, and compliance with, the Build America Buy America Act (BABA) continues, consistent with the Office of Management and Budget (OMB) Memorandum M-22-11, which provides Agency implementation guidance on the application of a Buy America Requirement in financial assistance programs and awards. Administrative actions include issuance of Financial Assistance Letter (FAL) 2023-01 "Buy America Requirements for Infrastructure Projects in Financial Assistance awards", and a guide, "Implementation of the Buy American Requirements for Infrastructure Projects".

These are available on our "Build America Buy America" (BABA) website here: https://www.energy.gov/management/build-america-buy-america. DOE also drafted BABA language for our federal financial assistance Funding Opportunity Announcement (FOA) templates and provided BABA training to over 500 staff.

2. Grain-Oriented Electrical Steel

Question: How will the proposed rule on energy efficiency standards for distribution

transformers affect markets for grain-oriented electrical steel, especially from domestic producers?

A2. Currently there is one domestic supplier of grain-oriented electrical steel (GOES) and one domestic supplier of amorphous steel. Examining the ongoing distribution transformer supply-demand imbalance, in partnership with utilities, has led to the recognition that current GOES supply, a key material in the production of many of today's distribution transformers, is not as readily available for manufacturers, leading to longer wait times and higher prices to produce highly-efficient distribution transformers. Using amorphous steel in distribution transformers can not only reduce losses and improve distribution system efficiency, but it could potentially result in a more resilient material supply chain for distribution transformers. DOE's rulemaking is still in process. DOE's consideration of any amended standard for distribution transformers is still underway and not yet implemented. DOE is carefully considering the comments and data submitted by over 70 stakeholders on the proposal and the feedback from our public hearing. DOE emphasizes that every comment offered – including questions about the estimated efficiency benefits – will be given due consideration before any final decisions are rendered.

Congressman Calvert

1. Plutonium Pit Production

As the Chairman of the Defense Appropriations Subcommittee, I remain concerned about the Department's prioritization of plutonium pit production. During the hearing, you stated that you are "very confident" that the department will reach the production level of 80 pits per year (ppy) by 2036.

Question: Our nuclear modernization requires that we reach 80 ppy by 2030, when did the NNSA's timeline slip to 2036? Why did it slip? What resources are necessary to get the NNSA back on the 2030 timeline?

A1. On November 30, 2021, I informed the Department of Defense (DoD) and Congress that manufacturing 80 War Reserve plutonium pits per year during 2030 was unachievable. No path has been identified to allow Savannah River Site (SRS) production capability to be completed by 2030. However, NNSA remains firmly committed to achieving 80 ppy as close to 2030 as possible and NNSA is working with the Los Alamos National Laboratory and SRS to achieve pit production rates as soon as possible.

Before War Reserve pits can be produced at SRS, NNSA needs to complete construction of the Savannah River Plutonium Processing Facility, establish plutonium inventories and radiological operations, and develop and certify processes and products. Historically it has taken more than three years for a newly constructed facility of this type to complete the testing and adjustment of its many systems, gain approval of operating procedures, enter "hot" operations, and gain formal qualification of the many processes that must work as designed to produce a formally qualified War Reserve component. Ramping up from the first production unit to full rate production also takes time. The uncertainty in an SRS pit production schedule will remain high until the SRPPF design matures and the project is baselined.

For LANL, the first War Reserve pit is expected to be delivered in late 2024. The number of pits manufactured per year will increase as more equipment is installed at LANL and the manufacturing capacity increases. The time required to decontaminate and remove old gloveboxes and equipment is not precisely predictable, as each presents unique challenges. Installation of new equipment, some highly specialized, is subject to supply chain delays. The rate of equipment installation is a major factor in the War Reserve pit production timeline at LANL, and it is uncertain for a variety of technical and operational reasons not associated with deficiencies in planning. As progress continues, the number of manufactured pits that are judged to meet War Reserve standards will also grow as pit production processes gain maturity.

Schedules remain necessarily uncertain at this stage, but through close coordination with DoD, NNSA will maintain the reliability and effectiveness of the nuclear stockpile until pit production capabilities are fully established. Updated cost schedules will be provided as designs are advanced for plutonium pit production facilities, and NNSA is committed to keeping the congressional defense committees apprised as we continue to refine cost and schedule estimates for pit production.

2. <u>Geothermal</u>

You have recently said that you "are obsessed with geothermal" and are excited about new commercial-scale technologies coming online from start-ups in the industry. DOE's GeoVision report highlights geothermal's potential capacity to reach over 60 GW by 2050, translating to 8.5% of total electricity generation in the U.S. if Enhanced Geothermal Systems (EGS) and other technological advances prevail. As such, EGS could lead to terawatt-scale deployment of low-cost, clean energy in the United States and globally.

Question: How does the DOE plan on supporting Enhanced Geothermal Systems moving forward to achieve these commercial breakthroughs? Specifically, will the agency be prioritizing funding for EGS demonstration projects? If so, what level of funding do you believe would be appropriate, and would those projects be competitively awarded?

A2. The Department's Geothermal Technologies Office (GTO) currently supports a broad range of research, development, and demonstration (RD&D) activities directed at the broad commercialization of Enhanced Geothermal Systems (EGS). Activities include developing technologies to improve the precision of subsurface sensing, improved simulation capabilities, improvements in drilling performance and costs, and development of the science and engineering needed to develop EGS on a widespread commercial scale.

The Frontier Observatory for Research in Geothermal Energy (FORGE) has benefited from over $200M in federal funding to develop an EGS demonstration site and provide a field laboratory where new tools and technologies can be tested in the field. As the flagship EGS demonstration site, FORGE has led to several notable successes, including dramatic improvements in drilling speeds, capture of seismic data to characterize subsurface fracture networks, and the development of an EGS reservoir through the connection of two wells via hydraulic stimulation. In the coming years we expect to perform more reservoir stimulations, conduct more experiments, and continue to advance EGS technology toward commercialization.

EGS is the largest portion of the DOE's geothermal portfolio, but the geothermal resource and opportunities in the U.S. covers a range of temperatures and applications beyond the generation of electricity, including the heating and cooling of homes and businesses, thermal energy storage, and the recovery of critical materials from geothermal fluids. The Department continues to support the RD&D across the vast resource and application space, much of which can be enabled with the advancement of EGS RD&D.

The Department's Enhanced Geothermal Shot has established the pathway needed to make EGS a significant contributor to our Nation's electrical generation capacity. As an "always-on" dispatchable resource, electricity generation through EGS development is a perfect complement to intermittent renewables such as wind and solar. The Enhanced Geothermal Shot identified the potential and importance of EGS in the full decarbonization of the grid as a firm and

flexible source of electricity. The Enhanced Geothermal Shot™ is a department-wide effort to dramatically reduce the cost of EGS—by 90%, to $45 per megawatt hour by 2035. Investments in EGS can unlock affordable clean energy for over 65 million American homes and exponentially increase opportunities for geothermal heating and cooling solutions nationwide. The Bipartisan Infrastructure Law provided an $84M boost to GTO's demonstration portfolio by facilitating larger pilot demonstration projects in varied environments, including near-field EGS directed at expanding the capacity at existing geothermal sites, green-field EGS, superhot EGS, and EGS at a location east of the Mississippi River. Additional directed investments will be needed to sustain a robust pilot demonstration program and meet the goals of the Enhanced Geothermal Shot, while creating a natural transition for the displaced oil and gas workforce.

Congressman Dan Newhouse

1. Fusion Energy

Washington state is home to many fusion energy stakeholders. Several fusion energy companies are based in the state. While the University of Washington and the Pacific Northwest National Laboratory (PNNL), based in my district, conduct cutting edge fusion energy research. In many ways, the Pacific Northwest is slowly becoming a hub for fusion energy companies. Which is why I was interested to see in the proposed FY2024 budget request, $8.8 billion was requested for DOE's Office of Science. Within that $8.8 billion, $1 billion was recommended for the Fusion Energy Science Program to support commercialized fusion energy.

Question: in recent years, private investment into fusion energy has outpaced U.S. government funding, including into three leading fusion companies based in Washington State. How does your budget request intend to ensure that DOE's fusion research funding supports private companies as they commercialize fusion?

A1a. The FY 2024 budget request for the Fusion Energy Sciences in DOE's Office of Science consists of two specific activities that provide direct support for private companies, the Fusion Development Milestone program and the Innovation Network for Fusion Energy (INFUSE) program. In FY 2023, under the Fusion Development Milestone program, SC provided $46 million to eight fusion companies (one of them in the State of Washington) to develop designs and roadmaps for fusion pilot plants. Under the INFUSE program, 90 awards totaling $19.3 million have been made since 2019, enabling ten DOE national labs

and ten universities to collaborate with 26 distinct private fusion companies. In addition, with this budget request, there are four new Fusion Energy Research and Development (R&D) Centers whose focus is on closing outstanding scientific and technological gaps to accelerate the development of fusion energy. Beyond these activities, the U.S. fusion program continues to develop the scientific foundation for fusion energy which supports the private sector in realizing their goals.

Question: private companies in highly scientific fields, like fusion energy, often report difficulty working with national labs, particularly on onerous intellectual property rules. How does your budget support greater partnerships between labs and private companies?

A1b. We strive to find ways for industry to access foundational scientific and technological expertise in our programs. In addition to the initiatives above, we encourage national labs to support addressing scientific and technological gaps that protect the intellectual property (IP) rights of industry and at the same time the IP interests of the national labs. The DOE Milestone-based Fusion Development program is a good example of a special partnership that supports appropriate protections of IP where warranted. To ease the burden for the private fusion companies and to provide additional opportunities to negotiate IP rights, awards under this program are being made in the form of Technology Investment Agreements (TIAs) which are implementations of DOE's Other Transaction (OT) authority, similar to the approach followed by National Aeronautics and Space Administration (NASA) for the successful Commercial Orbital Transportation Services (COTS) program. The ultimate goal for using a TIA is to broaden the technology base available to meet DOE mission requirements and foster within the technology base new relationships and practices to advance the national economic and energy security of the United States, to promote scientific and technological innovation in support of that mission. A TIA is designed to reduce barriers to participation in RD&D programs by commercial firms that deal primarily in the commercial marketplace. A TIA allows contracting officers to tailor Government requirements and lower or remove barriers if it can be done with proper stewardship of Federal funds.

2. Pacific Northwest National Laboratory (PNNL)

My state of Washington is home to the Pacific Northwest National Laboratory (PNNL), an institution lauded for taking on some of the world's greatest science and technology challenges, especially the earth sciences. I'm proud to say that PNNL has been at the forefront of CO2 mineralization and has demonstrated that we can successfully take carbon from the air and put it deep underground, where it will be safely stored as rock. Given the number of carbon capture projects in the development pipeline, as well as the increase in the number of carbon storage wells needed due to the IIJA programs from the direct air capture hubs, hydrogen hubs, and other carbon capture and storage programs, EPA's needs for fulfilling permitting requests will exceed what has historically been allocated to its Class VI program.

Question: what is DOE doing to support EPA with Class VI permitting efforts to ensure timely reviews of project developer applications?

A2a. DOE's Office of Fossil Energy and Carbon Management (FECM) works closely with EPA's Office of Ground Water and Drinking Water (OGWDW) to support the scientific and technical evaluation of Underground Injection Control (UIC) Class VI (geologic sequestration) well permits, and to address technical issues that arise within the UIC program. EPA and DOE are partners in an interagency agreement in which DOE National Laboratories provide technical assistance and capacity building in the evaluation of UIC Class VI well permit applications, including review of subsurface modeling. Subsurface modeling is a critical component of geologic sequestration project design, helping project operators and EPA to assess the overall viability, safety, and potential risks of geologic sequestration projects.

In addition to directly supporting EPA on Class VI application reviews, DOE facilitates capacity building, communication, and coordination across the federal government. For example, in May we held a multi-day in-person interagency technical training attended by several staff working in EPA's UIC program. We also coordinated several virtual interagency technical and policy trainings. Lastly, we support successful implementation of government-wide statutory and Congressional requirements that relate to carbon capture, utilization, and storage (CCUS) and Class VI permitting efforts. For example, DOE co-chairs a team focused on deploying CCUS on federal lands in which EPA participates.

Secretary Granholm, thank you for visiting the Tri-Cities last August. While you were at PNNL, you visited the Environmental Molecular Sciences Laboratory- EMSL- one of DOE's

key user facilities in the molecular sciences. EMSL is central to PNNL's fundamental science work in this area. In reviewing the budget request, I was disappointed to see that you are proposing a significant cut to this important facility, to below even the FY2022 enacted level. This cut is confounding given that the budget request proposes a significant increase to the Office of Science.

Question: may I have your commitment that you will ensure that EMSL funding remains stable relative to the FY2023 level to ensure it continues to serve the scientific community and progress on its strategic plan?

A2b. The Department of Energy recognizes the importance of the EMSL facility to many of today's greatest advances in molecular science, as part of our commitments to biology, environment, climate, and energy. During recent years, EMSL has received significant budget growth, and we have furthermore made commitments to advance microbial phenotyping capabilities that the community can exploit in the future. We will strive to assure that funding remains as stable as possible into the future.

I was pleased to see in the budget request a construction line item for the Microbial Molecular Phenotyping Capability project (M2PC). This AI-driven automated laboratory will enable scientists to understand and manipulate microbial functions at an unprecedented scale and pace, helping realize the benefits of the $4 trillion bioeconomy, including new fuels, chemicals, materials and medicines. It is important that this project moves forward without delay, and toward that end I am hopeful that the Department will prioritize this effort. Additionally, it is critical that funding for M2PC does not come at the expense of EMSL operations - these are two discrete, complementary efforts and must be treated by the Department as such.

Question: can you assure me that making expeditious progress on M2PC will be prioritized at DOE, and that funding for it will not come at the expense of EMSL, and more generally, other key BER programs?

A2c. The Microbial Molecular Phenotyping Capability (M2PC) represents one of the most innovative concepts that will drive future EMSL capabilities, discovery, and American leadership in science. M2PC will not only add to but will leverage the existing capabilities across the EMSL facility. I can assure you that we continue to prioritize M2PC in our funding scenarios while minimizing the impact on key BER programs.

3. Nuclear Energy

DOE has repeatedly emphasized its commitment to advanced nuclear energy. Both of the advanced reactor demonstration (ARDP) awardees will use high-assay low-enriched uranium (HALEU) fuel, and there is currently no available source for HALEU other than Russia. America needs a domestic HALEU supply to fuel our $3.2 billion ARDP investment, support our innovators and maintain national security. The DOE has the authority to do this.

Question: will you be able to provide enough HALEU to supply the ARDP reactors on their timeline of 2028?

A3. The Department of Energy's (DOE) Office of Nuclear Energy (NE) performed an in-depth review of HALEU supplies across the U.S. complex, and determined that, until large scale enrichment capabilities are available, HALEU will need to come from existing highly enriched uranium (HEU) downblended stockpiles and the Piketon Enrichment Demonstration. We anticipate the Piketon Enrichment Demonstration to produce about 900kg in 2024. Currently, DOE is investing in processing, conversion, and downblending to create useable HALEU at the Idaho National Laboratory (INL) and the Savannah River National Laboratory (SRNL), and the National Nuclear Security Administration (NNSA) has committed to providing HALEU supplies based on their current excess inventory.

With NE's current investments in producing HALEU in oxide form and with NNSA's contributions, it is expected that DOE will be able to supply X-Energy with enough HALEU in oxide form to support initial core fuel fabrication. However, for the Natrium reactor's

initial core, 15 MTU of HALEU in metal form is required with an initial planned delivery date starting in late 2025 through 2026. Even with the NNSA's contributions, DOE is expected to be able to provide less than 5 MTUs of HALEU metal from U.S. inventory to meet Natrium's specifications in the time frames needed. In other words, the current U.S. inventory will be able to provide less than one-third of TerraPower's HALEU request for the Natrium reactor.

Due to this shortfall and given Congressional direction provided in the Energy Policy Act of 2020 and the appropriations provided in the Inflation Reduction Act (IRA), DOE-NE intends to issue a request for proposals (RFP) to encourage the establishment of domestic enrichment capacity for production of HALEU and an RFP for deconversion services.

4. Pumped Hydropower

More than 90% of the nation's energy storage comes from hydropower. In the DOE's budget request, there is a new $50 million request for Regional-Energy Water Demonstration Facilities.

Question: what would these new facilities be doing that currently funded ones do not?

A4a. Regional Energy-Water Demonstration Facilities are place-based, collaborative testing, demonstration, and deployment hubs of new technologies meant to support and enhance systems of traditional energy-water facilities, which include hydropower, while preparing the local and regional communities and economies that rely on those systems for a changing future. Currently, there are no Regional Energy-Water Demonstration Facilities for testing and promoting new energy water technologies and approaches that are designed to ameliorate regional water challenges through, and this type of in-field validation, testing, and pre-commercial demonstration is an important step in their development.

As droughts, floods, fire, and other climate change-driven extremes intensify, meeting growing agricultural, industrial, and community demands for both water and energy will be challenging for the nation's aging water and energy systems as they are currently designed. While these issues can be addressed to some degree with infrastructure upgrades, fully addressing them requires looking beyond a single facility (e.g., a dam, or water treatment plant, or irrigation pumping

station) to understand the broader and coupled nature of energy and water challenges faced by a region. To accomplish this, the proposed Regional Energy-Water Demonstration Facilities will: (1) support regional utilities, municipalities, and research institutions like National Laboratories and universities in local capacity-building to define a problem; (2) identify and collate data, technologies, and equities from across state and federal agencies; and (3) provide funding and research support to test, demonstrate, and deploy robust solutions over an extended time.

Question: the request also states that the facilities will support interagency work. What are these other agencies, and how do they plan to contribute financially?

A4b. Addressing growing energy-water issues will take a whole government approach that streamlines and leverages the various equities and resources available from other agencies. With funding for Regional Energy-Water Demonstration Facilities, the Department of Energy will go beyond prior research through early engagement with the National Academies of Sciences, Engineering, and Medicine to build the case for interagency collaboration.

The National Academies would lead the development of an unbiased, scientifically sound, consensus report detailing interagency equities and opportunities in regional energy-water issues and solutions that include basic research (National Science Foundation), data collection (U.S. Geological Survey), regulations (Environmental Protection Agency), technology deployment and integration (U.S. Army Corps of Engineers, Bureau of Reclamation), and local agricultural (U.S. Department of Agriculture) and industrial (U.S. Department of Commerce) economies. Many agencies interested in solving integrated energy-water challenges may also simply lack awareness of others working on similar regional issues and/or require contributions from other agencies to address the complexity of the issues fully. As a result, contributions from other agencies for Regional Energy-Water Demonstration Facilities may be in-kind through existing programs and initiatives or financial as defined by the agency's long-term mission in the region or problem.

5. Lower Snake River Dams

As you know, DOE is currently engaged in a mediation of the long-standing litigation surrounding salmon and the 4 Lower Snake River Dams (LSRD). The decisions made by the U.S. government

within the mediation have significant implications for other Biden Administration policy objectives and vice versa.

Question: how are the USG participants in the mediation engaging with federal agencies not involved in the mediation to ensure the USG position in the mediation is consistent with, for example, policies on climate change, decarbonization of transportation, global food security, national security, and environmental justice?

A5a. The Council on Environmental Quality is leading the USG engagement in negotiations, including engagement within the USG.

The legal standard under the litigation is based in the ESA whereby actions must not "jeopardize the continued existence of the species" yet the mediation objective is "healthy and harvestable runs" of salmon. These are very different standards against which to consider actions.

Question: while "healthy and harvestable runs" is a laudable goal, what is the legal standard for it?

A5b. We are not aware of a "legal standard" for "healthy and harvestable." This term arose out of the Columbia Basin Partnership convened by NMFS and captured in the Marine Fisheries Advisory Committee (MAFAC) Phase 2 Report.

Question: if the mediation were to fail and the case returned to court, would not the ESA standard again become the objective?

A5c. The court would review the challenges from the Plaintiffs under the applicable legal standard.

The 4 Lower Snake River Dams can produce more than 3,000 MW of carbon-free energy. While producing nearly 1,000 MW on average these dams play a huge role in power grid reliability, particularly given their capacity to respond to demand increases almost instantaneously.

Question: given the current state of other renewables and their limited ability to respond to demand increases, how would all this power be replaced both in term of total power capacity and grid reliability without resorting to traditional fossil fuels?

A5d. The Columbia River System Operations Environmental Impact Statement and the Energy and Environmental Economics lower Snake River Dam analysis outlined different scenarios for replacement resources if the four lower Snake River dams were breached. If Congress authorized breach of these dams, these existing studies could inform future power replacement.

6. Gas Stoves

The Biden Administration appears to have a bias against the direct use of natural gas in homes, businesses, industrial applications, and transportation despite consumer demand for natural gas and the industry's strong record of reducing natural gas consumption and emissions. More than one new residential customer signs up for natural gas service every minute and approximately 80 businesses begin new natural gas service every day.

I fear this bias is evidenced by countless public statements, billions of federal dollars for fuel switching in the Inflation Reduction Act, lack of research funding for new gas technologies and dozens of DOE rulemakings limiting the availability and affordability of natural gas appliances. Ignoring actions dealing with limiting the use of natural gas in federal buildings or other commercial applications, in residential applications alone, DOE has taken actions impacting a dozen natural gas product classes ranging from stoves to furnaces to pool heaters.

Question: during your time as Secretary of Energy, how many rulemakings on gas products has the Department undertaken?

A6a. Of the roughly 56 energy conservation standards rulemakings DOE has worked on in my time as Secretary of Energy, 12 rulemakings contained products that use gas. With respect to cooking products specifically, the Department is conducting the conventional cooking products rulemaking to fulfill its statutory obligations as directed by Congress and a consent decree deadline requiring the final rule to be completed by January 2024.

During the hearing, Madam Secretary, you said you believe 50 percent of existing gas stove products would meet the proposed level. And, as such, this proposed rule is not a ban on gas stoves/

Question: could you provide data to justify that 50 percent of the models in the market today would comply with the level in the proposed rulemaking?

A6b. DOE's estimates of market share by efficiency were detailed in the February 1, 2023 supplemental notice of proposed rulemaking and then updated figures were provided in a notice of data availability published on August 2, 2023. The August notice of data availability states that "Together with the models included in the engineering analysis, DOE estimated that nearly half of the total gas cooking top market currently achieves the proposed EL (efficiency level) 2 and therefore would not be impacted by the proposed standard, if finalized." These documents and all the data supporting the proposed rulemaking are available in the rulemaking docket.[1]

[1] https://www.regulations.gov/docket/EERE-2014-BT-STD-0005/document

Question: has DOE ever set a standards level at "max-tech" for home appliances, which is proposed for gas cooking, in the history of the program?

A6c. DOE has a statutory obligation to Congress to set standards that achieve the maximum improvement in energy efficiency that is determined to be technologically feasible and economically justified. There have been cases where "max tech" has been determined to meet those criteria.

Question: do you believe DOE should pursue a fuel-neutral approach to its programs and policies?

A6d. In its energy conservation standards analyses, DOE creates fuel-neutral product classes to set standards individually for each fuel type. For example, DOE proposed standards for electric and gas cooking tops that allow the Department to assess the technological and economic potential of each fuel type independently.

Question: do you believe DOE has pursued a fuel-neutral approach to its programs and policies?

A6e. Yes.

Question: should the efficient direct use of natural gas be part of the portfolio of programs and policies that the Department supports?

A6f. We are technology neutral and focused on efficiency standards that help American consumers and businesses save energy and money.

Question: is promoting greater amounts of natural gas supply a goal of DOE?

A6g. The mission of the Department of Energy is to ensure America's security and prosperity by addressing its energy, environmental, and nuclear challenges through transformative science and technology solutions. Traditional and new energy sources are both a part of our energy mix.

Question: is promoting the direct use of natural gas as an efficient and low-emissions solution a goal of DOE?

A6h. Energy projections suggest that, in the middle of this century, we'll be using abated fossil fuels. The technologies for abating fossil emissions and technologies for clean energy sources both play a role in the energy transition. As this transition progresses, the fuels we use and how we use them will change.

7. Hanford Site

I was very pleased to see that the president's budget request recognized the need for additional funding to support the tank waste treatment mission at the Hanford Site in my district. I understand that the funding needs will continue to grow over the next few years as we begin vitrifying the low activity waste, while also increasing work on the design, engineering and construction of the High-Level Waste Facility.

Question: can you tell me how DOE is planning ahead to ensure there will be adequate funding to support this work in the coming years?

A7a. The 2024 request ramps up funding with a substantial investment of $3 billion for the Hanford Site mission to clean up the environment and protect workers, the community, and the Columbia River. With decades of cleanup to go and a projected lifecycle cost in the hundreds of billions, DOE is working collaboratively with our regulators, including the State of Washington, on options to safely achieve cleanup goals sooner and in a more cost-effective manner, without sacrificing safety or effectiveness. Several opportunities continue to be evaluated that could shorten cleanup schedules and ultimately save billions of dollars in life cycle costs. Examples include the Test Bed Initiative Demonstration Project, examining viable disposal options for supplemental low activity waste, and implementation of our newly developed National Lab led R&D Roadmap for accelerating the Hanford tank waste mission.

As I mentioned in my previous question, I was pleased to see a request for additional funding for tank waste treatment. I was disappointed, however, to see that the request would cut funding for Hanford's Richland Operations Office by over $85 million dollars. As you know, the Richland Operations Office performs extremely important work across the Hanford Site, including critical risk mitigation efforts in the K Area, at the Waste Encapsulation and Storage Facility, and at the 300-296 Waste Site which is just a mile away from the Richland city limits and the Columbia River. I am concerned that as the tank waste treatment mission ramps up, some might lose focus on everything else at Hanford, and this concern seems to be reflected in the president's request.

Question: how do you plan to ensure that the Richland Operations Office's scope of work remains a priority for DOE and this administration in the years to come?

A7b. DOE is committed to our cleanup responsibilities at Hanford, a site where transformational progress is underway across board. The tank waste mission continues to ramp up, another reactor along the Columbia River has been placed in safe storage, and billions of gallons of contaminated groundwater have been treated. The commitment to the site is reflected in the $3 billion request for Hanford cleanup. The budget request supports many key priorities under the purview of the Richland Operations Office, including work required before the final reactor can be cocooned, advancing preparations for transferring radioactive capsules to dry storage, continuing work at the 324 Building, and treating another two billion gallons of contaminated groundwater.

Legislation passed in the 117th Congress provided DOE with tens of billions of dollars for the development, demonstration and deployment of advanced energy technologies. I can think of no better places to demonstrate these technologies than at PNNL, Hanford, and other sites where DOE has a long-term, enduring mission.

Question: what is your plan to invest some of these resources at existing DOE facilities?

A7c. DOE has and will continue to rely strongly on the national labs and other sites where DOE has a long-term, enduring mission. In fact, we will not be able to fulfill our responsibilities under IIJA and IRA effectively without support from these facilities. So far, the national labs have been an integral part of our ramp up to development, demonstration, and deployment of advanced energy technologies. They have supported the new programs by providing technical support for funding opportunity announcements, competing for and acquiring funding to directly do the work, and partnering with nascent industries to help get to scale on demonstration projects. Further, funding has been provided to improve infrastructure to advance laboratory mission. Specifically, PNNL received $8.2M to reduce the resource footprint and improve resilience of the laboratory's core infrastructure.

In addition, transmission studies guiding national transmission priorities across programs are using advanced modeling at PNNL. The Grid Deployment Office is partnering with PNNL on a series of

advanced analytical studies of transmission grid congestion and needs, advancing world-class modeling of grid infrastructure and operating regimes, as a critical component of BIL programs for grid modernization and resilience, and as a component of planning and providing technical assistance around IRA transmission investment.

The Hanford Site is leading DOE facilities in exploring and piloting an initiative called Clean-up to Clean Energy, to lease appropriately situated DOE lands for energy development and is working with the local community and regional leaders on how the land could be used in partnership with IIJA or IRA investment to develop clean energy generating resources, potentially including advanced clean energy technologies such as hydrogen.

The GAO, FFRDC and NAS have indicated that DOE should proceed with urgency with grouting and out of state disposal of MLLW from Hanford tanks to save money and to accelerate the cleanup schedule at Hanford in parallel with the DFLAW program.

Question: can you please explain why DOE has not requested any funds to pursue these recommendations for FY2024?

A7d. The Department agrees that this is a priority and DOE is working expeditiously to complete these activities. DOE did not request funds in Fiscal Year 2024 to pursue these recommendations because funding is already available for the 2,000-gallon Test Bed Initiative Demonstration.

Question: can you please explain why DOE cannot do both out of state disposal and the DFLAW program today while the vitrification plant is awaiting startup and commissioning?

A7e. In parallel with the DFLAW program, DOE is working with the state of Washington to consider additional options for augmenting and accelerating the tank waste mission. That includes taking thoughtful steps to advance the Test Bed Initiative Demonstration. The Test Bed Initiative Demonstration is designed to consider the most effective combination of pretreatment, transportation, treatment, and grouting processes and to gain experience through progressive demonstrations. Following successful completion of the Test Bed Initiative Demonstration, DOE will evaluate the results and follow regulatory and legal processes, in concert with regulators and in communication with Congress, for consideration of further

implementation of this approach.

It has been almost 5 years since 3 gallons of MLLW from Hanford tanks was treated, grouted, and disposed out of Washington state.

Question: given the estimated cost savings and schedule acceleration that, according to the FFRDC, NAS and GAO analysis, would be realized by grouting and out of state disposal of MLLW, why hasn't DOE moved with extreme urgency on this demonstration project?

A7f. DOE appreciates the work performed by the NAS/FFRDC at the direction of Congress, by the GAO, and by others in analyzing the potential benefits of various options including grout. While DOE focuses on treatment via the DFLAW program, the Department continues working on a path forward for addressing all Hanford tank waste in a safe, effective manner and at a practical cost. Grout is one alternative for the low activity liquid waste that scientific experts continue to analyze, as well as several other options. As part of that analysis, DOE is taking the next steps to advance the 2,000-gallon Hanford Test Bed Initiative (TBI) that will solidify pretreated waste into a grout form for disposal. DOE is committed to following regulatory and legal processes, in concert with regulators including the State of Washington and in communication with Congress, stakeholders and Tribal Nations as options like the TBI Demonstration advance.

Question: are DOE and the Washington State Department of Ecology aligned on the land disposal treatment standard to be applied to waste that DOE determines through its processes and methods is not HLW? If not, why not?

A7g. While the Test Bed Initiative Demonstration involves out-of-state disposal, DOE and the state of Washington continue working in a deliberate and constructive manner to reach agreement on many issues related to the Hanford tank waste mission.

Question: what does DOE suggest be done to address any such impasses between the two organizations?

A7h. DOE, the state of Washington, and the U.S. Environmental Protection Agency (EPA) recently reached conceptual agreement in Holistic Negotiations on revising plans for managing millions

of gallons of waste stored in tanks at the Hanford Site. This agreement demonstrates a commitment to resolving issues in good faith and upholds the Tri-Party Agencies' shared commitment to a safe, effective, and achievable path forward. Continuing constructive discussions between DOE and the state of Washington is the best way to addresses impasses and reach agreement on solutions to advance the Hanford tank waste mission.

The GAO has recommended that legislation is required to address and clarify which agency has jurisdiction over the final treatment standard to be applied to waste DOE determines is not HLW. DOE concurred in GAO's recommendations to pursue legislation.

Question: Secretary Granholm, do you still stand by that recommendation?

Question: if so when can we expect proposed legislation for Congress to consider?

A7i. DOE does not believe additional clarification from Congress is needed to classify Hanford reprocessing waste as non-high-level waste (HLW). GAO recommended that Congress should consider authorizing DOE to classify the volumes of waste corresponding to the TBI Demonstration for out-of-state waste disposal as something other than HLW. As stated above and in our response to GAO, DOE believes that the authority to classify reprocessing waste as other than HLW already resides with DOE.

Congressman Reschenthaler

1. Accident Tolerant Fuels

The Accident Tolerant Fuels (ATF) program within the Office of Nuclear Energy is of particular interest to me and, I believe, others serving on this subcommittee. ATF has the potential of enhancing safety at U.S. nuclear power plants by offering better performance during normal operation, transient conditions, and accident scenarios. The program will also allow existing facilities to operate longer while providing a baseload of electricity that is clean and reliable, while adding thousands of good-paying jobs to our national economy.

Question: Can you provide the Committee with some context on why the President's budget targets this highly promising Accident Tolerant Fuels program which relies upon a stable source of funding to be successful over the long-term?

A1. The President's proposed budget continues to support industry's objective to install near-term accident tolerant fuel concepts in domestic commercial reactors in the mid-2020s, qualified for

use at higher burnup and enrichment levels. The budget continues to provide financial assistance to the three fuel vendor teams under their cooperative agreements. The budget also continues to fund the National Laboratories to support industry with the labs' specialized irradiation testing and post-irradiation examinations.

2. Accident Tolerant Fuels

As you know very well, industry continues to play an important role in the ATF program. One of the industry partners playing a key role in this program employs more than 600 of my constituents at a facility in my district in Pennsylvania. Three industry-led teams have been engaged in cost-shared research and development programs working with, among other partners, the Oak Ridge National Laboratory in Tennessee and the Idaho National Laboratory.

Question: what assurances can you provide this subcommittee that the ATF program will continue to be a priority for you and the Department at a time when developing and maintaining a robust nuclear energy sector is more important than ever to our country's energy future?

A2. The Department continues to consider the Accident Tolerant Fuel Program to be a major component of its objective to support the existing domestic fleet. The industry is nearing its objective to install near-term accident tolerant fuel concepts in commercial reactors in the mid-2020s, qualified for use at higher burnup and enrichment levels. The Department will continue to support this objective.

One strength of the Accident Tolerant Fuel Program that has contributed to the success of the program is close coordination and communication with all program stakeholders. The Department maintains excellent operational awareness of industry's progress and of their priorities and their needs regarding financial assistance and technical support.

3. DOE's Title 17 Innovative Energy Loan Guarantee Program

DOE's Title 17 Innovative Energy Loan Guarantee Program has over $60 billion in potential remaining loan capacity to provide loan guarantees to accelerate deployment of innovative, all- of-the-above energy projects. The IIJA Section 40401(a)(2) amends Section 1703(b) of the Energy Policy Act of2005 (42 U.S.C. 16513(b)) by adding a thirteenth category of lending eligibility, specifically, "projects that increase the domestically produced supply of critical minerals (as defined in section 7002(a) of the Energy Act of 2020 (30 U.S.C. 1606(a)), including through the production, processing, manufacturing, recycling, or fabrication of mineral alternatives.

Question: Has the Loan Program Office entered into any agreement since expansion of lending eligibility to provide loan guarantee or any financing support for the domestic extraction and production of critical minerals?

A3a. Since the passage of the Infrastructure Investment and Jobs Act (IIJA) in 2021, the Loan Programs Office (LPO) has issued one loan and announced one conditional commitment to support the domestic processing and production of critical minerals, though these projects did not fall under Title 17 Section 1703. These announcements came under the Advanced Technology Vehicles Manufacturing (ATVM) Program, which provides loans for projects that involve U.S. manufacturing of advanced technology vehicles, qualifying components, and materials that improve fuel economy. It should be noted that the mentioned expansion of Title 17 Section 1703 lending eligibility was accompanied with a prohibition on the use of previously appropriated funds and loan guarantee authority for this new purpose. Only after the passage of the Inflation Reduction Act (IRA) did LPO have the additional authority to support critical mineral projects under Title 17 have appropriations and loan guarantee authority to support its execution.

In January of 2023, LPO announced a conditional commitment through ATVM to lend up to $700 million to Ioneer Rhyolite Ridge LLC to develop a domestic supply of lithium carbonate from the Rhyolite Ridge Lithium-Boron Project in Esmeralda County, Nevada. If finalized, LPO's loan to the Rhyolite Ridge project would finance the on-site processing of lithium carbonate that could potentially support production of lithium for approximately 370,000 EVs each year.

In June of 2022, LPO announced a $102.1 million ATVM loan to Syrah Technologies LLC for the expansion of a graphite processing facility in Vidalia, Louisiana. The facility produces graphite-based active anode material (AAM), a critical material used in lithium-ion batteries for electric vehicles (EVs) and other clean energy technologies. This is the first battery-grade natural graphite active anode material supplier in the U.S.

In addition, LPO has announced two ATVM conditional commitments that support domestic critical minerals production through the recycling of critical minerals, bolstering availability for these critical resources in another way. In February of 2023, LPO announced two conditional commitments to battery recycling and production facilities, supporting critical

mineral production and EV battery demand. First, LPO announced a conditional commitment to lend $2 billion to Redwood Materials for the construction and expansion of a battery materials campus in McCarran, Nevada. The project would be the first domestic facility to support production of anode copper foil and cathode active materials in a fully closed-loop lithium-ion battery manufacturing process by recycling end-of-life battery and production scrap and remanufacturing that feedstock into critical materials. Next, LPO offered a conditional commitment to Li-Cycle U.S. Holdings, Inc. for a $375 million loan to help finance the construction of the first-of-its-kind lithium-ion battery resource recovery facility in North America, located in Rochester, New York.

Question: DOE has financed several mineral processing projects, but can you explain why DOE has not yet entered into an agreement for the domestic extraction and production of minerals which are essential for renewable energy technologies and supply chain security and that we are often entirely reliant on non-domestic sources that do not use the same high environmental and worker safety standards as we do in the U.S.?

A3b. As noted, Section 40401(a)(2) of the IIJA amended Section 1703(b) of the Energy Policy Act of 2005 (42 U.S.C. 16513(b)) to include, "projects that increase the domestically produced supply of critical minerals (as defined in section 7002(a) of the Energy Act of 2020 (30 U.S.C. 1606(a)), including through the production, processing, manufacturing, recycling, or fabrication of mineral alternatives". However, the expansion of lending eligibility was accompanied with a prohibition on the use of previously appropriated funds and loan guarantee authority for this new purpose. The Inflation Reduction Act (IRA) added authority to support critical mineral production projects under Title 17, including appropriations and loan guarantee authority.

In May of 2023, LPO released Title 17 Clean Energy Financing Program Guidance that incorporates change from recent legislation, including by listing "supply of critical minerals" as an eligible Section 1703 technology.[2] A range of eligible projects that increase the domestically produced supply of critical minerals are eligible for LPO financing, subject to programmatic requirements, including but not limited to, innovation and emissions reductions requirements. LPO's Outreach & Business Development team is currently working with

[2] https://www.energy.gov/lpo/articles/program-guidance-title-17-clean-energy-program#page=1

applicants seeking financing for eligible critical minerals projects under both the ATVM and Title 17 programs.

Question: Can you commit to prioritizing support for domestic mining projects within the loan programs office?

A3c. LPO can commit to continuing to evaluate eligible applicants with critical minerals projects that apply to LPO through one of its programs. LPO encourages projects across eligible technology areas to apply and strives to meet with as many potential applicants as are interested in receiving financing.

Based on the authority provided by Congress, LPO evaluates projects across all statutorily eligible technologies on a level playing field. LPO does not pick and choose the technologies that come to the office (requested applications by sector reflected in our Monthly Application Activity Report[3]) and that are ultimately offered a conditional commitment or issued a loan. Eligible projects are rigorously vetted by LPO in a multi-step application process and must meet the specific requirements of the program they are applying to.

[3] MONTHLY APPLICATION ACTIVITY REPORT | Department of Energy

Congresswoman Letlow

1. Transformer Efficiency

Secretary Granholm, I have been hearing from utilities in my state concerned about a proposed Department of Energy transformer efficiency rule that could exacerbate ongoing distribution transformer supply chain issues for the electric sector.

Specifically, the proposed rule would require the use of amorphous steel, which currently accounts for only 5 percent of the market. If this rule is finalized, utilities are worried there will not be enough supply of amorphous core steel to meet ongoing demand in an already constrained market also impacted by recent storms and natural disasters.

Transformer demand is far exceeding the industry's capacity, with estimates indicating the market is 50 - 75 percent underserved, and one utility has told me their lead times to acquire new transformers, if manufacturers are even taking orders, have gone from 10 - 16 weeks to 36 - 50 weeks.

Last year, the Department of Energy advocated for billions in Defense Production Act (DPA) authorities to address grid and transformer issues, then used funds provided by Congress for heat pumps. While the President's budget does call for using DPA authorities to "ensure robust supply chains for electrical transformers and other critical grid components," I believe the rulemaking will complicate funding efforts this administration is asking Congress to support.

Question: I understand DOE has an option to issue a determination that no new standard is required now and would then be required to revisit the issue within three years. Could you please explain why DOE promulgated this rule and why moving forward is a good use of the Department's resources at a time when industry is facing so many challenges to acquire inventory to meet disaster and business needs.

A1. DOE is required by consent decree to issue a final rule to amend energy conservation standards for distribution transformers by April 2024. At this time, DOE has not yet promulgated the rule. DOE proposed amended standards and is currently evaluating all comments received in formulating the next step in the rulemaking process.

Congressman Guest

1. Advanced Reactor Demonstration Project

Recently, one of the advanced reactor demonstration projects partnered with Dow to supply heat to one of their Gulf Coast facilities. A successful commercial demonstration would catalyze nuclear energy as a solution to reduce emissions from the industrial sector.

Question: Is the DOE on track to complete and fuel this demonstration?

A1a. An Independent Project Review completed in December 2022 found that X-energy has made substantial progress on its Xe-100 reactor and power plant, as well as fuel fabrication facility design and licensing activities. The project continues to move forward with planned activities and is currently undertaking a rebaselining process which will provide updated and accurate cost and schedule data for the project.

Changes to the project schedule are expected as the reactor designs have matured over the past several years and the vendors have a more detailed understanding of manufacturing, construction, and labor requirements, in addition to other project needs.

High Assay Low Enriched Uranium (HALEU) fuel availability remains a challenge facing the project, but the Office of Clean Energy Demonstrations is working closely with the Office of Nuclear Energy to ensure a supply of HALEU is available for the project.

The Department will have more detailed cost and schedule information when the rebaseline process is complete and will update Congress accordingly.

Question: How is the DOE exploring nuclear for industrial heat outside of the Nuclear Energy office, such as the Advanced Materials and Manufacturing Technologies Office and the Industrial Efficiency and Decarbonization Office?

A1b. DOE's Industrial Efficiency and Decarbonization Office (IEDO) is collaborating closely with the Office of Nuclear Energy (NE) to explore opportunities for nuclear energy to help decarbonize industrial heat processes. Through the Technologies for Industrial Emissions

Reduction Development (TIEReD) Program[4], DOE's applied offices are identifying and accelerating the development of the full suite of technologies that will be needed by net-zero manufacturers—investing in fundamental science, research, development, and initial pilot-scale demonstration projects. This includes coordination with NE to advance thermal process heating and thermochemical process integration as potential, low-carbon energy sources for the industrial sector.

DOE's applied R&D offices also worked together to develop the Industrial Heat Shot™[5], which aims to develop cost-competitive industrial heat decarbonization technologies with at least 85% lower greenhouse gas emissions by 2035. Advancing nuclear technologies as alternative sources of clean heat is a critical component to reaching DOE's Industrial Heat Shot goal.

[4] https://www.energy.gov/sites/default/files/2023-03/Decarbonizing%20America%27s%20Industrial%20Sector%20Fact%20Sheet.pdf
[5] https://www.energy.gov/eere/industrial-heat-shot

TUESDAY, MARCH 28, 2023.

MEMBER'S DAY

Mr. FLEISCHMANN. The Energy and Water Subcommittee of Appropriations is now open. This is Member Day.

For the record, I am the chairman.

The distinguish ranking member, Ms. Kaptur, is here as well and present.

It appearing that all of the Members who were going to show have decided not to show up, but we will note for the record that everyone's testimony that they have sent in will be placed in the record.

With that, I would like to yield to the distinguished ranking member, if she has any comments.

Ms. KAPTUR. Thank you very much, Mr. Chairman, for calling this meeting to order.

And I would like to ask unanimous consent, along with those who will submit materials to the record, to submit my opening statement.

Mr. FLEISCHMANN. So agreed.

And, with that, I believe we can adjourn. Thank you.

[Statements submitted for the record follow:]

STATEMENT OF
THE HONORABLE DINA TITUS (NV-01)

MEMBER DAY TESTIMONY BEFORE THE HOUSE APPROPRIATIONS SUBCOMMITTEE ON ENERGY AND WATER DEVELOPMENT, AND RELATED AGENCIES

MARCH 28, 2023

Chairman Fleischmann and Ranking Member Kaptur,

As you continue your work on the Energy and Water Development appropriations bill for Fiscal Year 2024, I strongly urge you to include my language request to effectively terminate the proposed Yucca Mountain nuclear waste repository in Nevada.

For over three decades, the Department of Energy has left open the possibility of Nevada's becoming the dumping ground for the nation's high-level nuclear waste, a proposal I have fought since the Nuclear Waste Policy Act was signed into law in 1982. My State does not produce nuclear waste and should not be forced to store it.

What's more, the recent derailment and spill of hazardous chemicals in East Palestine, Ohio, reminds us how dangerous it would be to ship high level nuclear waste across the country to Yucca Mountain. Just transporting nuclear waste to Nevada, including through rail corridors, would threaten the safety of over 260 million citizens in 344 Congressional Districts, as well as surrounding ecosystems. After seeing the horrific pictures and listening to the unimaginable experiences on the ground of folks with severe headaches and having trouble breathing, as well as thousands of fish dying hundreds of miles downstream, there is understandable

fear in my State for what might happen if a similar accident were to occur involving nuclear waste.

Transporting this hazardous material through our freight system would make it what some have called a "mobile Chernobyl" waiting to happen. Not to mention, we are already experiencing a water crisis in the West. Can you imagine what would happen if radioactive waste spilled into any of the bodies of water connected to the Colorado River?

There is a solution. I am pleased that, unlike the previous Administration, President Biden and Secretary Granholm are supportive of a consent-based approach, modeled after my *Nuclear Waste Informed Consent Act* and based on the recommendations of the Blue Ribbon Commission on America's Nuclear Future. This approach would only send nuclear waste to communities where state, local, and Tribal governments agree to its transportation and storage which is consistent with policies from around the globe, except for countries like Russia.

Terminating the proposed repository would also save taxpayers significant money. In 2008, the DOE estimated that without major interruptions, it would still take $1.66 billion to complete the multi-year process for receiving construction authorization. If that were to happen, the State of Nevada estimates that construction to complete Yucca Mountain would cost $96 billion dollars. That figure does not account for the estimated 100,000 trucks needed to transport the waste which would amount to an average of 4-6 trucks per day, every day, for 50 years. Congress has already wasted $15 billion dollars on this doomed project and we should not waste a penny more.

I know you have a difficult task ahead of you as you make these critical decisions, and I want to thank you for your consideration.

Rep. Brian Mast Testimony
Energy and Water Member Day

~5 minutes

bring jar of HAB water

Chairman Fleischmann and Ranking Member Kaptur, thank you for the opportunity to speak to your panel today. This is what is at stake for my community - this disgusting sludge has been sent into our water. I'll spare you all, but it absolutely reeks. But the smell is the least of our worries. This is toxic, plain and simple. It's been linked to ALS, Alzheimer's disease, kidney disease, tumors, etc. It's killed pets, shut down businesses, and turned our piece of paradise into a toxic nightmare.

Congress - and your committee in particular - has a chance to fix it. For the last several years, this committee has shown an incredible commitment to South Florida Everglades restoration by providing record levels of funding, and it's never wasted. Every dollar allocated is put to work. In the last year alone, the Herbert Hoover Dike and the C-43 Reservoir have been completed. These projects were massive, years-long endeavors that are now protecting South Floridians from flooding and improving water quality in the region.

But our work is far from done. The Everglades Agricultural Area Reservoir, or the EAA Reservoir, has been rightly called the heart of the Everglades, as it is the single most important project when it comes to Everglades restoration. When completed, it will hold 240,000-acre-feet of water from Lake Okeechobee and send it south to the Everglades when it is needed. The project will recharge the Florida Aquifer to provide water for millions of South Floridians, bring in millions of dollars through tourism, protect a one-of-a-kind ecosystem, and provide public health and ecological relief to millions of people.

The Army Corps and the South Florida Water Management District, the Corps' cost-sharing partner, have broken ground on the project, but it still faces constant delays. This year, several contracts will be awarded for the reservoir, which means ample funding is needed to keep the project moving forward. I cannot emphasize this enough - my community cannot wait any longer for this project to be completed. The State of Florida has done an outstanding job in prioritizing funding for the EAA Reservoir, but the federal government has not matched its commitment. Every year that Congress fails to provide the funding called for in the Integrated Delivery Schedule is another year the Everglades are starved of water and the east and west coasts of Florida are used as toilets to flush this toxic crap through our waterways.

There is bipartisan recognition among my South Florida colleagues, and we are united in supporting the highest possible funding for the South Florida Ecosystem Restoration account, and I will specifically request an additional $310 million in funding above President Biden's request of $415 million. That brings the total to $725 million, in line with what has been called for in the Army Corps' IDS. The longer it takes to complete the EAA REservoir, the more expensive this project will get for the taxpayers. I'd ask for this subcommittee to include the full $725 million so that we can keep the momentum going.

We need to be responsible with the taxpayer dollars, and it is my opinion that we should not be funding "clean energy demonstrations" or "educational grants" under the Bureau of Reclamation, while my community is being poisoned. I will be following up with the committee with proposed adjustments to funding in order to ensure we are, in fact, being responsible with taxpayer funds.

In the remainder of my time, I'd like to highlight two other Community Project Funding Requests I have made to this subcommittee: the first is funding for an environmental infrastructure program included in WRDA 2022. This $1.5 million will fund projects in three estuaries that are plagued with ecological issues. Based on the extremely successful project in the Florida Keys, St. Lucie, Martin, and Palm Beach Counties would be able to partner with the Army Corps to address water infrastructure shortcomings that lead to nutrients flowing into our waterways and fueling harmful algal blooms.

The second CPF request is $400,000 for the Army Corps to begin the feasibility study for the Northern Estuaries Restoration Plan. While projects like the EAA Reservoir will provide relief for communities on both coasts, its completion won't end harmful discharges from Lake Okeechobee. It will only address two-thirds of the discharges both coasts receive, meaning more work is needed to fully restore the Greater Everglades ecosystem. The Northern Estuaries Restoration Plan is the first step in addressing this next phase.

Thank you again for all that you've done to support my community's fight for clean water. For us, the money provided to these projects doesn't just keep the Treasure Coast beautiful - it makes it a safe and healthy place to call home. I look forward to continuing our work to that end.

Rep. Zoe Lofgren (CA-18) Testimony
Member Day Hearing for FY2024 House Committee on Appropriations
Subcommittee on Energy and Water Development and Related Agencies

Chair Fleischman, Ranking Member Kaptur, and members of the Subcommittee,

Thank you for the opportunity to submit testimony today and for your work as the Subcommittee prepares Fiscal Year 2024 legislation. As you craft proposals, I strongly urge the Subcommittee to support Community Project Funding for the Pajaro River Flood Risk Management Project.

This project is a critical infrastructure investment. The current levees on the Pajaro River are inadequate to protect the disadvantaged communities of Pajaro, Watsonville, and surrounding agricultural land. In fact, the levees have provided some of the lowest levels of flood protection of any federal flood control project in the state since they were completed in 1949.

Tragically, two weeks ago, on the morning of March 11, the levees were breached following heavy precipitation from atmospheric rivers that have pummeled the state. Although damages are still being tallied, we already know that the resulting flooding cost hundreds of millions of dollars in agricultural losses, forced the weeks-long evacuation of thousands of Pajaro residents, required hundreds of water rescues, and destroyed homes in Pajaro.

I recently toured the levee and met with families who were displaced. The floods that followed the breach devastated the community and caused extreme hardship for many families. Among those who suffered some of the most catastrophic losses were farmworkers who ensure our country's agricultural goods make it to market and the nation remains fed. Even as they begin to

repair and rebuild, the community faces the unacceptably high risk of flooding as atmospheric rivers continue to pound this area even as we meet today.

The March 2023 flooding is the fifth major flood that the town of Pajaro has reported experiencing since the levees were built in 1949. For too long, the community of Pajaro has shouldered the impacts of our failing infrastructure and our lagging response to it.

While I'm grateful that funding was recently secured to upgrade the levees to 100-year flood protection, thanks in part to the Infrastructure Investment and Jobs Act, construction is not scheduled to start until 2025. The disadvantaged communities of Pajaro and Watsonville should not wait another two years and risk further devastating flooding as they wait for the federal government to complete upgrades that were originally authorized more than 50 years ago.

The Army Corps now estimates that it has the capability to use additional FY24 funding to begin the levee upgrades sooner using design-build techniques. Community Project Funding would fund the project to completion and potentially allow for additional efficiencies, such as the improved build techniques and the issuance of multiple contracts per construction season so that multiple sections can be constructed simultaneously.

The project has widespread community support, including from local, county, and state elected officials and community organizations. Rep. Panetta (CA-19) also asked that I share the following statement in support:

"For far too long, the protocol for prioritizing federal funding led to the delay in the construction of the Pajaro River Flood Risk Management Project, which also has contributed to the vulnerability of the communities and agriculture around the Pajaro River. The outdated Benefit-Cost-Ratio (BCR) used by the U.S. Army Corps of Engineers to determine its project priorities contributed to the lack of real federal funding for this project until last year. Although I was able to secure significant federal funding through the appropriations process to plan and design the project and through the Bipartisan Infrastructure Law to construct a major portion of the project, it has yet to be started and built. Moreover, the recent breach in the levee of the Pajaro River that resulted in the flooding and devastation in the town of Pajaro demonstrates that now more than ever this project needs more federal funding to get started. I support the request by Representative Lofgren for community project funding for the Pajaro Flood Risk Management Project so that we can begin this project soon in order to secure the vulnerable communities and invaluable agriculture surrounding the Pajaro River."

Thank you for your consideration of this request that is so crucial to the health and safety of the communities of Watsonville and Pajaro.

WEDNESDAY, MARCH 29, 2023.

FISCAL YEAR 2024 REQUEST FOR THE ARMY CORPS OF ENGINEERS AND BUREAU OF RECLAMATION

WITNESSES

MICHAEL L. CONNOR, ASSISTANT SECRETARY, ARMY (CIVIL WORKS)

SCOTT A. SPELLMON, CHIEF OF ENGINEERS AND COMMANDING GENERAL, U.S. ARMY CORPS OF ENGINEERS

CAMILLE CALIMLIM TOUTON, COMMISSIONER, BUREAU OF RECLAMATION

Mr. FLEISCHMANN. The hearing will come to order. Good morning, everyone. I am Congressman Chuck Fleischmann. I am privileged to be the chair of the Energy and Water Subcommittee on Appropriations. And it's my pleasure to welcome Assistant Secretary of the Army for Civil Works, Michael Connor, and the commanding general and chief of engineers, Lieutenant General Scott Spellmon. General, great to be with you today and thank you. I know you have been to the District and we've met several times—good to see you—to discuss the fiscal year 2024 budget for the U.S. Army Corps of Engineers and Commissioner Camille Touton. Did I say that right, ma'am? Good. Touton. To discuss the request for the Bureau of Reclamation. Thank you for being with us today.

This subcommittee has a long history of strong support for the infrastructure needed to manage our nation's water resources, promote public safety, and ensure America maintains its competitive advantage in transporting goods to market. And as a longtime representative of Eastern Tennessee, I have a keen interest in construction and maintenance of our nation's inland waterway system. These locks and dams make possible the movement of waterborne commerce throughout the interior of the country and are essential for America's agriculture, aggregates industry and energy security.

I was disappointed the budget request included no funds for inland waterways construction projects. These projects, like many corps projects, have faced delays and cost escalations, including the Chickamauga Lock in my home district. Execution of the Chick Lock project seems to be on a better path now. But we need to continue working to improve project delivery of these critical water resources and infrastructure projects.

Overall, I'm concerned this budget does not sufficiently invest in the Corps or reclamation infrastructure. While not unusual for the budget request to propose reductions for these programs, it is still disappointing. The $7.4 billion request would reduce funding for the Corps of Engineers by more than 14 percent below the fiscal 2023 enacted level. The budget proposes the largest cuts for the Corps' civil works mission in the Mississippi Rivers and tributaries, investigations and operation and maintenance accounts.

Further, the request for Harbor Maintenance Trust Fund activities is over $1 billion below the maximum offset allowed by law. I note that the subcommittee has not yet received justification sheets for the operation and maintenance account. These budget materials are essential for the subcommittee to conduct its work. And I hope we can expect that information soon.

The 1.9 billion-dollar request for the Bureau of Reclamation represents a 25 percent cut below the fiscal 2023 enacted level, including a 27 percent reduction to the water and related resources account. This account funds drought mitigation and planning, new and existing water supply infrastructure and operation of water projects across the West.

Assistant Secretary Connor, General Spellmon, and Commissioner Touton, I appreciate your being here today to explain your budget requests. I look forward to working together with you and will—and with my colleagues on both sides of the aisle and dais to move forward a bill that will enhance public safety and maximize the economic benefit of America's water resources. Please ensure that the hearing record, questions for the record and any supporting information requested by the subcommittee are delivered in final form to us no later than four weeks from the time that you receive them.

Members who have additional questions for the record will have until the close of business Monday to provide them to the subcommittee office. With that, I will respectfully turn to my ranking member, Ms. Kaptur of Ohio, for her opening statement. Madam Ranking Member.

Ms. KAPTUR. Thank you very much, Chairman Fleischmann. Welcome. We are here today to discuss the fiscal year 2024 budget request for the Army Corps of Engineers and the Bureau of Reclamation. Your agencies play a critical role in strengthening our economy, sustaining life in our country and on this continent and ensuring public safety against the now constant onslaught of natural disasters across our country. Thank you for your fortitude, and thank you for joining us today.

Let us begin with fresh water. It is fundamental. Investments in the critical freshwater infrastructure of our nation give people a secure source of vital sustenance while supporting a family's ability to work in good-paying jobs and to spur economic growth. The lack of freshwater means annihilation and dislocation. The essential investments in our annual appropriation bills combined with historic infrastructure investment and Jobs Act and Inflation Reduction Act are beginning to address our nation's crumbling infrastructure to build back a better and more secure America.

This last year and just this last weekend mark yet another extraordinary period for extreme weather across our country. California just faced the 12th atmospheric river event since late December. Wow. These events are now too commonplace. The massive amounts—massive amounts of rain and snow they deposit and the widespread flooding and hurricane-like winds that accompany them take a particularly heavy toll on town after town and have especially harmed farmworkers and their communities who live in the most vulnerable places.

For the first time in modern history, California, according to our Census Bureau, is witnessing an outmigration of its population. Across the Southwest, the severe drought has resulted in the Colorado River crisis. This river is a lifeline, as you well know, for millions of our fellow citizens. Experts are now saying that Lake Mead and Lake Powell are unlikely to refill for another 50 years.

In the Southeast, Hurricane Ian devastated Florida, South Carolina and North Carolina, causing more than $100 billion in damage and at least 150 fatalities. Last summer, there was devastating flooding across Kentucky and Missouri, which damaged thousands of homes, businesses and infrastructure. And deadly flooding hit Kentucky again just last month.

In my region, ice typically covers 70 percent of the Great Lakes. But this year, it covered just 6 percent, the smallest amount ever recorded in history. Lack of ice cover and increased evaporation have implications for expanding algal blooms in our freshwater lakes. And that impacts, as well, native species for our region for the coming spring and summer seasons.

The United States had 18 different billion-dollar weather disasters last year, 2022. And last year is building on an increasing trend. A recent report found that 90 percent of the counties in the United States—90 percent—suffered weather disasters in the last decade, impacting 93 percent of our country's population, more than 300 million people. It is undeniable that we are witnessing growing weather events stemming from climate change occurring in real time before our very eyes.

We have entered an age of the new normal. Thus, it is critical for agencies that are project-based like the Corps and reclamation to think more broadly and adapt to planning regionally to implement solutions on a watershed and subwatershed basis to make our communities more resilient. This is an imperative. Close to home in our Great Lakes region, projects like assuring passage through the Soo Locks are a prime example of investments that will turbocharge the resiliency and efficiency of our maritime transportation system.

Similarly, the Brandon Road Project is addressing the economic and environmental damage unleashed by invasive Asian species, carp. Those creatures will destroy all the native fish populations in the Great Lakes if not stopped. And I hope we can continue to work together to maintain support for Ohio's ports that not only play a vital role to support continued economic development but also serve as a massive source of dredge material that can be used to increase shoreline resilience to the impacts of climate change. As we begin our discussion on this Fiscal 2024 bill, I must say I am again disappointed by the proposed reductions of $1.3 billion for the Corps of Engineers and $485 million for reclamation.

Somebody over there in the executive branch must have thought Congress will save them from this ridiculous idea. And while historic investments were made through the Infrastructure Investment and Jobs Act and Inflation Reduction Act in both of your agencies, we have significant work to do to better protect Americans against severe drought, flooding and storms and make sure everyone has fresh water.

There is bipartisan support in Congress for the work that your agencies undertake on behalf of the American people. Your work is not just necessary. It is critical. Thank you for being here, and we look forward to your testimony. With that, I'll close my remarks, and I'll look forward to discussing your request. Thank you, and thank you, Mr. Chairman and members. I yield back.

Mr. FLEISCHMANN. Thank you, Ranking Member Kaptur. And again, I want to thank each and every one of our witnesses here today. Really look forward to your testimony. Without objection, your full written testimonies will be entered into the record. With that in mind, we would respectfully ask that you please summarize your opening statements in five minutes.

Secretary Connor, you are now recognized for your opening statement, sir.

Mr. CONNOR. Thank you, Chair Fleischmann, Ranking Member Kaptur, distinguished members of the subcommittee. Thank you for the opportunity to discuss the President's budget request for the Army Civil Works Program. I'll quickly summarize. The fiscal year 2024 budget request includes over $7.4 billion for the Army Civil Works Program. Notwithstanding a reduction from the generous levels that Congress provided, it is the largest request in history, complemented by an additional $1.05 billion from the investment—Infrastructure Investment and Jobs Act. These investments demonstrate President Biden's ongoing commitment to funding critical infrastructure projects that will strengthen our economy, protect people and property, and restore key ecosystems.

It's important to note that the water resources challenges of today and tomorrow are not like yesterday's. Extreme weather events, whether precipitation, drought or hurricane-driven storm surges are increasingly the norm, creating risks to communities, the economy and natural systems. As a result, understanding vulnerabilities and increasing our preparedness is paramount. For that reason, the budget provides $86 million, the largest request in course history, for research and development. The focus of this work will be on innovative solutions that achieve cost savings in the civil works program and addressing the emerging water resources challenges of the 21st Century, including climate change.

The budget focuses on the highest-performing work within the three main missions of the Army Civil Works program, commercial navigation, flood and storm-damaged reduction and aquatic ecosystem restoration. In developing the budget, consideration was also given to advancing three key objectives that reflect administration priorities, decreasing climate risks for communities and the environment, promoting environmental justice in underserved communities and tribal nations, and strengthening the supply chain.

With respect to climate, the Corps has always been in the resilience business, and the proposed investments include more than $1.4 billion for construction of flood and storm damage reduction and aquatic ecosystem restoration projects and over $64 million to improve climate resiliency and/or sustainability at existing Corps-owned facilities. For the second priority, the budget supports the Administration's Justice 40 initiative through investments in 23 studies and in construction of 33 projects to help disadvantaged communities. Supply chains remain a priority, which the Civil

Works Program supports through its commercial navigation efforts. The budget facilitates safe, reliable and sustainable commercial navigation to support U.S. competitiveness and improve resilience of our nation's manufacturing supply chain.

In support of the Administration's commitment to our nation's coastal ports and inland waterways, the FY 2024 budget includes over $3.4 billion for the study, design, construction and operation and maintenance of inland and coastal navigation projects. Of this amount, over $1.7 billion is derived from the Harbor Maintenance Trust Fund. Equally important is—to building community resilience is the work of the aquatic ecosystem restoration mission.

The budget includes $653 million for AER, including $450 million for the South Florida Ecosystem Restoration Program, which will enable significant progress in restoring America's Everglades. The budget also includes $93 million to support salmon recovery efforts in the Columbia River Basin. Other significant investments include $655 million for the construction of a critical dam safety project at Prado Dam and $350 million for the replacement of the Cape Cod Canal Bridges.

Importantly, the budget includes $235 million to continue construction of the Soo Locks Project. In total, FY 2024 construction program is funded at more than $2 billion. I want to acknowledge that there is no funding proposed for the inland waterways trust fund in this year's budget and view a $2.5 billion made available in the Infrastructure and Investment Jobs Act for inland waterway projects.

Nonetheless, we view the IWTF as a very valuable funding source. And I anticipate there will be significant use in the future. Of course, the budget also focuses on maintaining the key features of the vast water resources infrastructure that the Corps owns and manages. Specifically, the 2024 budget funds O&M at over $4.4 billion. For the investigations program, the 2024 budget provides $139 million, including $35.5 million for technical and planning assistance programs.

Wrapping up the budget summary, it's significant that the 2024 regulatory program is funded at $221 million to protect the nation's waters and wetlands and provide efficiency in permit-processing, which is a very high priority for the administration. Recreation is funded at $270 million to ensure the Corps, one of the nation's leading providers of recreation facilities—so that they continue to effectively serve the public's desire to experience the great outdoors.

To summarize, the Civil Works budget makes critical investments in water resources that will benefit the American people and promote greater prosperity and economic growth for decades to come. Thank you for the opportunity. I look forward to the questions.

[The information follows:]

DEPARTMENT OF THE ARMY

WRITTEN STATEMENT
OF

MR. MICHAEL L. CONNOR
ASSISTANT SECRETARY OF THE ARMY
FOR CIVIL WORKS

BEFORE
COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON ENERGY AND WATER DEVELOPMENT
AND RELATED AGENCIES
UNITED STATES HOUSE OF REPRESENTATIVES

ON

THE FISCAL YEAR 2024 BUDGET
FOR THE CIVIL WORKS PROGRAM
OF THE ARMY CORPS OF ENGINEERS

March 29, 2023

Chairman Fleischmann, Ranking Member Kaptur, and distinguished members of the committee, thank you for the opportunity to be here today to discuss the President's Budget request for the Army Civil Works program.

The Fiscal Year 2024 Budget request includes over $7.4 billion for the Army Civil Works program — which is the largest request in history — complemented by an additional $1.05 billion from the Infrastructure Investment and Jobs Act — or IIJA. These investments demonstrate President Biden's ongoing commitment to funding the construction of critical infrastructure projects that will strengthen our economy, protect people and property, and restore key ecosystems. It will also create good paying jobs that provide the free and fair chance to join a union and collectively bargain. Overall, we believe in smart investments that yield high economic and environmental returns, while, also reducing deficits and improving our country's long-term fiscal outlook.

It's important to note that the water resources challenges of today and tomorrow are not like yesterday's. Weather extremes are increasingly the norm, creating risk to communities, the economy, and natural systems. As a result, understanding vulnerabilities and increasing our preparedness is of paramount importance. For that reason, the Budget provides $86 million — the largest request in Corps' history — for research and development. The focus of this work will be on innovative solutions that would help achieve significant cost savings in the civil works program and address the emerging water resources challenges of the 21st Century, including climate change.

The Army Civil Works Budget focuses on the highest performing work within the three main missions of the Civil Works program:

- commercial navigation,
- flood and storm damage reduction, and
- aquatic ecosystem restoration.

In developing the Budget, consideration was also given to advancing three key objectives that reflect the Administration's priorities: 1) decreasing climate risk for communities and increasing ecosystem resilience to climate change based on the best available science; 2) promoting environmental justice in underserved and marginalized communities and Tribal Nations in line with the Justice40 Initiative; and 3) strengthening the supply chain.

With respect to the first Administration priority, climate-focused investments include more than $1.4 billion for construction of flood and storm damage reduction and aquatic ecosystem restoration projects, over $64 million to improve climate resiliency and/or sustainability at existing Corps-owned projects, and $35.5 million for technical and planning assistance programs with an emphasis on actions to help local communities identify, understand, and address their flood risks including work that would directly benefit disadvantaged communities by improving their resilience to climate change. The Budget also

funds the continuation of studies to investigate climate resilience along the Great Lakes coastlines as well as in Central and Southern Florida.

For priority two, the Budget supports the Administration's Justice40 Initiative through investments in 23 studies, and in the construction of 33 projects to help disadvantaged and tribal communities address their water resources challenges—including funding for the Tribal Partnership Program. The Army is committed to helping to achieve the broader goals of the Administration regarding equity and environmental justice and will continue to improve outreach and access to Civil Works information and resources, including technical and planning assistance programs; maximizing the reach of Civil Works projects to benefit disadvantaged communities; and, ensuring that updates to Civil Works policies and guidance will not result in a disproportionate negative impact on disadvantaged communities.

Supply chains remain a priority, which the Civil Works supports through its Commercial Navigation program. The Budget

facilitates safe, reliable and sustainable commercial navigation to support U.S. competitiveness and improve the resilience of our nation's manufacturing supply chain to support American jobs and the economy. In support of the Administration's commitment to our nation's coastal ports and inland waterways, the FY 2024 Budget includes over $3.4 billion for the study, design, construction, operation and maintenance (O&M) of inland and coastal navigation projects. Of this amount, over $1.7 billion is derived from the Harbor Maintenance Trust Fund for eligible projects with an emphasis on operation and maintenance, including dredging, of completed projects and over $1 billion will be used to maintain and improve navigation on the inland waterways.

Flood and storm damage reduction is at the center of the Civil Works program's actions to support the Administration's goal of tackling the climate crisis. Accordingly, the Budget contains nearly $2 billion for flood and storm damage reduction, including funding to provide technical and planning assistance to local

communities to enable them to understand and better manage their flood risks. The Budget proposes to assist these local efforts, with emphasis on non-structural approaches.

Equally important to building community resilience is the work of the aquatic ecosystem restoration mission (AER). The Budget includes $653 million for AER, including $415 million for the South Florida Ecosystem Restoration (SFER) program, which will enable significant progress in restoring America's Everglades while building ecosystem resilience to climate change in South Florida. The Budget also includes $93 million to support salmon recovery efforts in the Columbia River basin, another priority within the AER program.

Other significant initiatives include $655 million for construction of a critical dam safety project at Prado Dam, and $350 million for replacement of the Cape Cod Canal Bridges. Additionally, to facilitate action on Cape Cod, the Budget includes a legislative proposal that would allow the Corps to transfer funds to the Commonwealth of Massachusetts to design and construct the

replacement bridges. Ultimately, the ownership of these bridges will be conveyed to Massachusetts, which will be responsible for future operation and maintenance. Also, of significant note, the Budget includes $235 million to continue construction of the Sault Ste. Marie (Replacement Lock) project in Michigan.

In total, the FY 2024 Construction program is funded at more than $2 billion. While most of this funding is in the Construction account, over $37 million is in the Harbor Maintenance Trust Fund account, and nearly $64 million is in the Mississippi River and Tributaries account. By significantly increasing funding of construction for crucial infrastructure projects, this budget will help us get things done and ensure momentum on much needed infrastructure improvements across the nation. The Army also has allocated the $50 million provided for construction in 2024 in the IIJA for shore protection projects that will support coastal communities and improve their resilience to storm and climate change impacts.

As I wrap up the discussion on construction, I want to acknowledge that there is no funding proposed from the Inland Waterways Trust Fund (IWTF) in this year's budget in view of the $2.5 billion made available in the IIJA for construction, replacement, rehabilitation, and expansion of inland waterways projects. The IWTF is a very valuable funding source and I anticipate there will be ongoing and significant use in the future beyond the investments provided by the IIJA.

Of course, in addition to new projects, the Budget focuses on maintaining the key features of the vast water resources infrastructure that the Corps owns and manages, and on finding innovative ways to rehabilitate it or divest it to others. The Budget invests in operating and maintaining the Corps' existing infrastructure and improving its reliability and performance. Specifically, the FY 2024 Budget funds the Operation and Maintenance program at over $4.4 billion, consisting of over $2.6 billion in the Operation and Maintenance account, nearly $1.7 billion in the Harbor Maintenance Trust Fund account, and nearly

$154 million in Mississippi River and Tributaries account. The allocation of funding among projects for maintenance reflects a risk-informed approach that considers both project and project component conditions and the potential consequences of a failure. The Budget also gives priority to the maintenance of coastal ports and inland waterways with the highest commercial traffic. Additionally, the Budget is complemented by $1 billion for operation and maintenance in 2024 from the IIJA.

For the Investigations program, the FY 2024 Budget provides $139 million, consisting of nearly $130 million from the Investigations account and over $9 million in Mississippi River and Tributaries. Within those amounts, the Budget includes $35.5 million for technical and planning assistance programs. These programs help local communities, including disadvantaged communities, identify and address their flood risks, including flood risks associated with climate change.

Continuing with the budget summary, it's significant that the FY 2024 Regulatory Program is funded at $221 million to protect

the nation's waters and wetlands and provide efficiency in permit processing. And the Recreation program is funded at $275 million to ensure the Corps — one of the nation's leading Federal providers of outdoor recreation — can continue to effectively serve the public's desire to experience the great outdoors.

To summarize, the Budget makes critical investments in water resources that will benefit the American people and promote greater prosperity and economic growth for decades to come. From solving water resources challenges facing communities, to nurturing sustainable aquatic ecosystems, the Corps is delivering on its mission to serve the public.

I am very honored to implement the President's priorities for the Army Civil Works program and excited to be a part of a great team — serving our Nation.

Thank you for inviting me here today. I look forward to your questions.

General SPELLMON. Good morning, everyone. And Chairman Fleischmann, Ranking Member Kaptur and distinguished members of the subcommittee, I am honored to testify before you this morning and thank you for the opportunity to discuss the Fiscal Year 2024 budget of the U.S. Army Corps of Engineers, another record investment in our nation's civil works program.

Today, I look forward to discussing the status of important Corps projects and programs as well as answer any questions the committee may have regarding our 2024 budget. Most importantly, I look forward to continuing to work with this committee, with Congress and certainly the administration to address the nation's critical water resource infrastructure needs.

We greatly appreciate the committee's continued support of the Corps' program. With recent record-high appropriations, including the $1.4 billion of additional funding provided late last year as part of the Disaster Relief Supplemental Appropriations Act of 2023. The Corps Civil Works program has experienced significant growth over the past several years. This substantial level investment enables critical water resource projects to be studied and constructed. It allows us to further develop innovative approaches that address some of our nation's most pressing challenges through focused research and development.

The Fiscal Year 2024 budget reflects a targeted approach to continue investing in our water resource programs that promote climate resiliency, which will benefit the nation's economy, environment and public safety now and into the future. The budget also supports the Assistant Secretary's priorities for the Corps by upgrading our nation's waterways, protecting communities and ecosystems, better serving disadvantaged communities, investing in science and R&D, and finally, sustaining and improving our communications and relationships with our many partners. The 2024 budget taken with other recent funding provides the Corps with what the secretary calls a transformational opportunity to deliver water resource infrastructure projects that will positively impact communities across our great nation.

We are also taking advantage of this opportunity to do two things, first, to transform our organization and decision-making process to more consistently safely deliver quality projects on time and within budget. And second, identifying risk to how we are delivering our program. Our teams are hard at work seeking out new and better ways to mitigate or eliminate these risks so we can further strengthen the safety and security of communities across our country and our territories.

By evolving our policies, programs and operations and placing an increased focus on research and development, we are working to overcome impacts of challenges such as sea-level rise or changes in precipitation patterns and hydrology that we see across the country and other effects of climate change, including improvement to the resilience of Corps-owned and operated infrastructure. I will conclude by saying the Corps does not accomplish anything on its own. Delivering successful civil works project is a shared responsibility. It's a team sport.

And we draw from our engineering expertise and build upon our relationships with our nonfederal partners, project stakeholders

and Congress to enable us to succeed. I look forward to continuing our great collaboration as we continue to pursue our vision that is engineering solutions for our nation's toughest challenges. Thank you again, Chairman Fleischmann, Ranking Member Kaptur and members of the committee. I look forward to answering any questions you may have.

[The information follows:]

DEPARTMENT OF THE ARMY

U.S. ARMY CORPS OF ENGINEERS

COMPLETE STATEMENT OF

LIEUTENANT GENERAL SCOTT A. SPELLMON

CHIEF OF ENGINEERS

BEFORE
COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON ENERGY AND WATER DEVELOPMENT
UNITED STATES HOUSE OF REPRESENTATIVES

ON

THE FISCAL YEAR 2024 BUDGET
FOR THE CIVIL WORKS PROGRAM
OF THE U.S. ARMY CORPS OF ENGINEERS
"A Review Of The Fiscal Year 2024 Budget Submission For The U.S. Army Corps Of Engineers And The Bureau Of Reclamation"

MARCH 29, 2023

Chair Fleischmann, Ranking Member Kaptur, and Members of the Subcommittee, I am honored to testify before your committee today, along with the Honorable Michael Connor, Assistant Secretary of the Army for Civil Works, regarding the President's Fiscal Year 2024 (FY 2024) Budget (Budget) for the Army Civil Works Program.

Through the Civil Works program, the United States Army Corps of Engineers (Corps) works with other Federal agencies, and with state, tribal, and local agencies, as well as others, to develop, manage, restore, and protect water resources, primarily through the study, construction, and operation and maintenance of water-related infrastructure projects. The Corps focuses on work that provides the highest economic, environmental, and public safety returns to the Nation. The Corps also regulates development in waters of the United States and works with other Federal agencies to help communities respond to, and recover from, floods and other natural disasters.

The Corps uses its engineering expertise and its relationships with project sponsors and stakeholders to develop innovative approaches to address some of the most pressing water resources challenges facing the Nation. I am committed to the Secretary's priorities for the Army Civil Works program, including investing in the Nation's coastal ports and inland waterways to facilitate waterborne transportation and strengthen economic growth; helping communities to manage their flood risks and adapt to climate change; restoring aquatic ecosystems in ways that will make them more sustainable and more resilient to climate change; ensuring that the Civil Works program will better serve the needs of disadvantaged communities; investing in science, research, and development to deliver enduring water-resources solutions; and strengthening communications and relationships to solve water resources challenges. I am absolutely focused on ensuring that we deliver studies and finish quality projects safely, on time, and within budget. These priorities will ensure a better return on taxpayer investment and improve the lives of all Americans. Under my oversight and direction, and with the leadership of Assistant Secretary Connor and his team, the Corps is committed to efficiently and effectively executing the Civil Works program.

SUMMARY OF FY 2024 BUDGET

The Civil Works program is performance-based and focuses on high-performing projects and programs within its three main water resources missions: commercial navigation, flood and storm damage reduction, and aquatic ecosystem restoration. It uses a targeted approach to invest in our water resources and promote climate resilience, which will benefit the Nation's economy, environment, and public safety – now and in the future. This Budget invests in Tribal Nations, as well in economically disadvantaged communities that are marginalized, underserved, or overburdened by pollution, including those in rural areas.

The Budget includes $7.413 billion in discretionary funding for Civil Works activities throughout the Nation, the largest budget in history.

INVESTIGATIONS

For the Corps Investigations program, the FY 2024 Budget includes $130 million in the Investigations account and $9 million in the Mississippi River and Tributaries account. The Corps uses these funds to evaluate water resources problems and opportunities, design projects within the three main Civil Works mission areas, and support related work. The Budget includes $35.5 million for planning and technical assistance programs, where the Corps shares its expertise with local communities including disadvantaged communities to help them identify and understand their water resources problems and increase their resilience to, and preparedness for, flood risks.

CONSTRUCTION

For the Corps Construction program, the Budget includes $2.015 billion in the Construction account, $37.152 million in the Harbor Maintenance Trust Fund account, and $64 million in the Mississippi River and Tributaries account.

The goal of the Civil Works program is to produce as much value as possible for the Nation from the available funds. Projects are primarily funded based on their economic, environmental and safety returns. The selection process includes giving priority to investments, on a risk-informed basis, in dam safety assurance, seepage control, and static instability correction work at dams that the Corps owns and operates, and work to address significant risk to human safety, as well as construction of dredged material disposal facilities for high and moderate use segments of commercial deep-draft, shallow-draft, and inland waterways projects.

In developing the FY 2024 Budget, we also gave consideration to projects that provide climate change benefits to disadvantaged communities. To advance priorities in community resilience, environmental justice, and with Tribal Nations, FY 2024 is the first time construction funding for Environmental Infrastructure and the Tribal Partnership Program has been included in the Budget .

The Budget provides $415 million for the South Florida Ecosystem Restoration (SFER) program, the Everglades, as well as $93 million to support salmon recovery efforts in the Columbia River basin and $235 million for the Sault Ste. Marie (Replacement Lock) project in Michigan. The largest request within the Construction Account is for $655 million for the construction of a critical dam safety project at Prado Dam in California.

OPERATION AND MAINTENANCE (O&M)

All structures age and can deteriorate over time, causing a potential decline in reliability. As stewards of a large portfolio of water resources projects, the Corps is working to sustain the benefits that the key features of this infrastructure provide.

The Corps continues to improve the efficiency and effectiveness of the operation and maintenance of its large portfolio of water resources projects. The Corps does so by

targeting its investments in infrastructure maintenance, repair, and rehabilitation on a risk-informed basis. It invests in the highest priority needs with emphasis on the key features of the infrastructure that the Corps owns and operates, and in work that will reduce long-term O&M costs in real terms.

Generally, the O&M program supports completed works owned or operated by the Corps, including operation and maintenance of locks and dams along the inland waterways; maintenance dredging of inland and coastal Federal channels; operation and maintenance of multi-purpose dams and reservoirs for flood risk reduction and related purposes such as hydropower; monitoring of completed navigation and flood damage reduction projects; and management of Corps facilities and associated lands, including serving as a responsible steward of the natural resources on Corps lands.

For the Corps O&M program, the Budget includes $2.630 billion in the Operation and Maintenance account, $1.688 billion in the Harbor Maintenance Trust Fund account, and $154 million in the Mississippi River and Tributaries account. These funds will be used in conjunction with the $1 billion provided in the Infrastructure Investment and Jobs Act for operation and maintenance work in FY 2024.

RESEARCH AND DEVELOPMENT

Through the research and development program, we are making investments to tackle future challenges and advance technological development in support of the Corps Civil Works mission. The Budget includes a historic $86 million investment in research and development activities, or over $100 million including technology transition and data collection. This investment demonstrates the Administration's commitment to engineering innovation to deliver enduring water resource solutions for the Nation. This investment will allow the Corps to continue addressing the most pressing knowledge gaps practitioners face while doing their jobs in the field, such as operational, data-driven methods to improve navigation channel maintenance, the beneficial use of dredged material, and flood and storm risk management modeling. This investment also includes funding to advance longer-term research and development needs including: $10 million to accelerate the Forecast-Informed Reservoir Operations Assessment, which will further our understanding of atmospheric river impacts on flood risk management, water supply, and other water uses; and $25.5 million to inform and improve our overall asset management strategy, with a focus on work that has the potential to achieve significant cost savings in the civil works program.

REGULATORY PROGRAM

Through the Regulatory program, the Corps protects the Nation's waters including wetlands, and regulates development that could impede navigation, while allowing reasonable development to proceed. The Budget proposes funding for the Regulatory program to enable the Corps to protect and preserve these water resources. The FY 2024 Budget provides $221 million for this program.

EMERGENCY MANAGEMENT

The FY 2024 Budget includes $40 million in funding for the Flood Control and Coastal Emergencies account to enable the Corps to prepare for emergency operations in response to natural disasters. The Budget for the emergency management program also includes $5.5 million for the National Emergency Preparedness Program.

FORMERLY UTILIZED SITES REMEDIAL ACTION PROGRAM

The FY 2024 Budget provides $200 million to clean up specific sites contaminated as a result of the Nation's early atomic weapons development program.

CONCLUSION

The FY 2024 President's Budget for the Army Civil Works Program represents a continuing, fiscally prudent investment in the Nation's water resources infrastructure and restoration of aquatic ecosystems. The Army is committed to a performance-based Civil Works program, based on innovative, resilient, and sustainable risk-informed solutions.

Thank you, Chair Fleischmann and Members of Subcommittee. This concludes my statement. I look forward to answering any questions you and other Members of the Subcommittee may have.

Mr. FLEISCHMANN. Thank you, General Spellmon.

At this time I would like to recognize Commissioner Touton. You are now recognized for five minutes for your opening statement. Thank you.

Ms. TOUTON. Good morning. My name is Camille Calimlim Touton and I'm the Commissioner of the Bureau of Reclamation.

Thank you, Chair Fleischmann, Ranking Member Kaptur, and members of the Subcommittee for the opportunity to discuss the President's Fiscal Year 2024 request for the Bureau of Reclamation.

We are grateful for our working relationship with the members and staff of this subcommittee and it's good to be here in person.

The Bureau of Reclamation is the largest water supplier and manager of water in the nation and the second largest producer of hydropower. We have 189 projects across the American West and help to feed our nation through 10 million acres of irrigated agriculture, water to millions of Americans, and support ecosystems across the western landscape.

Our mission supports $66.5 billion in economic activity and 472,000 jobs. Meeting our mission means addressing drought resilience, water security, climate change adaptation, ecosystem health, and issues of equity.

The need to secure, maintain, and modernize our nation's water infrastructure is an Administration priority and we have a once in a generation opportunity to utilize our Fiscal Year $1.4 billion budget request with that of the bipartisan Infrastructure Law and the Inflation Reduction Act.

The issues we face today are unprecedented as we experience the worst drought in the 120-year of this organization. Record snowfall and rain across parts of the West this year, and particularly in California, have brought some relief, but are not a resolution to our years, if not, decades-long drought.

Snow-pack is 154 percent of average in the Colorado River Basin, but the reservoirs are collectively at 26 percent of capacity and at their lowest level since being filled after construction.

In California, as has already been mentioned, we experienced the three driest consecutive years on record only to be followed with nine atmospheric rivers last December and January alone.

The cyclical nature of western hydrology highlights the need for immediate actions, as well as thoughtful planning and on the groundwork to make both our infrastructure and operational decisions more resilient to withstand future water resource scarcity and variability.

And Reclamation's FY 2024 budget priorities reflect a commitment to drought planning and response activities to promote water security.

Appropriately, this budget request acknowledges the need to continue to develop and deploy science-based drought and climate change adaptation strategies. Our WaterSMART and Science Technology programs directly contribute to Administration priorities, including $22.5 million for R&D science and tech.

Reclamation must also plan for the future of its infrastructure in our dams and reservoirs, water conveyance systems, and power

generating facilities, which serve as the water and power infrastructure backbone for the American West.

However, as with all infrastructure, the features are aging and in need of critical maintenance. Our FY 2024 budget includes $105.3 million in extraordinary maintenance combined with our BIL investments of $825 million in FY 2022 and 2023 for aging infrastructure.

We are constructing our largest dam safety modification project ever at the B.F. Sisk Dam in California. This is supported by our Fiscal Year 2024 Dam Safety Program request of $210 million, which includes $182.6 million for the implementation of dam safety modification actions.

This funding not only address B.F. Sisk Dam, but also 11 additional projects across the West and we're able to leverage this funding more effectively to address West-wide needs in an accelerated manner due to the $500 million in Bipartisan Infrastructure Law funding.

We must address our aging infrastructure needs and consider economic inequities in the needs of rural and underserved communities. And Reclamation is establishing and rebuilding water infrastructure for underserved populations by ensuring that clean drinking water is provided to communities, including through our rural water investments.

Our FY 2024 requests includes $57.8 million and, as with our Dam Safety Program, our Rural Water Program leverages $1 billion in Bipartisan Infrastructure Law funding to accelerate the completion of these long-needed projects, of which we've allocated $698 million.

Our budget also includes $35.5 million for Reclamation's Native American Affairs Program to enhance our technical assistance to tribes, and lastly, Reclamation's budget request supports the Administration's legislative proposals for Indian water right's settlement implementation efforts.

Reclamation will continue to manage the drought in real time and plan for the future with a focus on people, partnerships, and investments. And Reclamation is committed to working with Congress, and our partners, and stakeholders in carrying out our mission. And our Fiscal Year 2024 budget supports these actions.

I again thank the Subcommittee; I am happy to answer any questions.

[The information follows:]

IN REPLY REFER TO

United States Department of the Interior

BUREAU OF RECLAMATION
Washington, D.C. 20240

Statement of Camille Calimlim Touton, Commissioner
U.S. Bureau of Reclamation
Before the
Subcommittee on Energy and Water Development
Committee on Appropriations
U.S. House of Representatives
on the President's Fiscal Year 2024 Budget
March 29, 2023

Thank you, Chair Fleischmann, Ranking Member Kaptur, and members of the Subcommittee for the opportunity to discuss with you the President's Fiscal Year (FY) 2024 Budget for the Bureau of Reclamation. I am Camille Calimlim Touton, Commissioner for the Bureau of Reclamation.

The issues we face today are unprecedented as we experience the worst drought in the 120-year history of this organization. This challenges Reclamation's ability to deliver water and produce hydropower in the way we have in the past. Climate change has made it likely that we will continue to experience the same, or worse, hydrology in the future. Record snowfall and rain across parts of the West – and particularly California – have brought some relief. While we are thankful for the benefits, we must not forget the cyclical nature of western hydrology. Therefore, this is not a time for Reclamation, the States and Tribes to take our foot off the gas. It is an opportunity to get ahead of the planning. Reclamation will continue to manage the drought in real time, focusing on our enduring priorities of People, Partnerships, Investments – and Hydrology in the West.

Reclamation manages water for agriculture, municipal and industrial use, the environment, and provides flood control and recreation for millions of people. Reclamation's projects and programs serve as the water and power infrastructure backbone of the American West, constituting an important driver of economic growth in hundreds of basins through the Western States. Reclamation's activities support economic activity valued at $66.6 billion, and support approximately 472,000 jobs.[1] Reclamation delivers 10 trillion gallons of water to millions of people each year and provides water for irrigation of 10 million farmland acres, which yields approximately 25 percent of the Nation's fruit and nut crops, and 60 percent of the vegetable harvest.

Reclamation's fundamental mission and programs – modernizing and maintaining infrastructure, conserving natural resources, using science and research to inform decision-making, serving underserved populations, and staying as nimble as possible in response to the requirements of drought and a changing climate – position it as an exemplar for the Biden-Harris Administration's core tenets. The Bureau of Reclamation's FY 2024 budget provides the foundation to meet our mission, and to manage, develop, and protect water resources, consistent with applicable State and

[1/] U.S. Department of the Interior Economic Contributions Report – Fiscal Year 2019.

Federal law, and in a cost-effective and environmentally responsible manner in the interest of the American public. Reclamation remains committed to working with a wide range of stakeholders, including water and power customers, Tribes, State and local officials, and non-governmental organizations, to meet its mission.

Reclamation is requesting a gross total of $1,449,314,000 in Federal discretionary appropriations, which is anticipated to be augmented by over $2.4 billion in other Federal and non-Federal funds for FY 2024. Of the total, $1,301,012,000 is for the Water and Related Resources account, which is Reclamation's largest account, $66,794,000 is for the Policy and Administration account, and $33,000,000 is for the California Bay Delta account. A total of $48,508,000 is budgeted for the Central Valley Project Restoration Fund.

Activities to Support Tribal Programs & Tribal Water Rights Settlements: Reclamation tackles the challenges of racial equity and underserved communities through investments in Tribal water rights settlements, continuation of the Native American Affairs technical assistance program, rural water projects, and investments in specific projects for underserved communities through programs such as WaterSMART. The Bipartisan Infrastructure Law PL 117-58 (BIL) and Inflation Reduction Act appropriations both invest substantial portions of its funding to underserved populations, and rural and Tribal communities.

The FY 2024 discretionary request also includes $35.5 million for the Native American Affairs program to improve capacity to work with and support Tribes in the resolution of their water rights claims and to develop sustainable water sharing agreements and management activities. This funding will also strengthen Department-wide capabilities to achieve an integrated and systematic approach to Indian water rights negotiations to consider the full range of economic, legal, and technical attributes of proposed settlements. Finally, funding also supports Reclamation efforts for Tribal nations by supporting many activities across the Bureau, including some rural water projects, the Yakima River Basin Water Enhancement Project, the Klamath Project, and the Lahontan Basin project, among others.

Conservation and Climate Resilience: Reclamation's projects are able to address the Administration's priorities to address conservation and climate resilience through funding requests for the WaterSMART program, funding to secure water supply to our refuges, and proactive efforts through providing sound climate science, research and development, and clean energy.

The WaterSMART Program serves as the primary contributor to Reclamation's and the Department of the Interior's Water Conservation Priority Goal. Since 2010, projects funded under contributing programs, including WaterSMART Grants, Title XVI (Water Recycling and Reuse Program), California Bay-Delta Program, Yakima River Basin Water Enhancement Project, and Desalination construction projects have achieved a total of 1,682,005 acre-feet water savings.

Through WaterSMART, Reclamation works cooperatively with States, Tribes, and local entities as they plan for and implement actions to address current and future water shortages, including drought; degraded water quality; increased demands for water and energy from growing populations; environmental water requirements; and the potential for decreased water supply availability due to climate change, drought, population growth, and increased water requirements for environmental purposes. This includes cost-shared grants for water management improvement projects; water reclamation and reuse projects; watershed resilience projects; the Basin Study

Program; and drought planning and implementation actions to proactively address water shortages. The FY 2024 request includes $62.9 million for the WaterSMART Program.

Climate Science: Reclamation's FY 2024 budget for Research and Development (R&D) programs includes $22.5 million for the Science and Technology Program, and $7.0 million for Desalination and Water Purification Research—both of which focus on Reclamation's mission of water and power deliveries. Climate change adaptation is a focus of Reclamation's R&D programs, which invests in the production of climate change science, information and tools that benefit adaptation, and by yielding climate-resilient solutions to benefit management of water infrastructure, hydropower, environmental compliance, and water management.

The Desalination and Water Purification Research program addresses drought and water scarcity impacts caused by climate change by investing in desalination and water treatment technology development and demonstrations for the purpose of more effectively converting unusable waters to useable water supplies. The Science and Technology program invests in innovation to address the full range of technical issues confronting Reclamation water and hydropower managers and includes the Snow Water Supply Forecasting Program that aims to improve water supply forecasts through enhanced snow monitoring and water management to address the impacts of drought and a changing climate.

Modernizing and Maintaining Infrastructure: Reclamation's water and power projects throughout the western United States provide water supplies for agricultural, municipal, and industrial purposes. Reclamation's projects also provide energy produced by hydropower facilities and maintain ecosystems that support fish and wildlife, hunting, fishing, and other recreation, as well as rural economies.

Dam Safety: Reclamation manages 489 dams throughout the 17 Western States. Reclamation's Dam Safety Program has identified 361 high and significant hazard dams at 241 facilities, which form the core of the program. Through constant monitoring and assessment, Reclamation strives to achieve the best use of its limited resources to ensure dam safety and maintain our ability to store and divert water and to generate hydropower.

The Dam Safety Program helps ensure the safety and reliability of Reclamation dams to protect the downstream public. Approximately 50 percent of Reclamation's dams were built between 1900 and 1950, and approximately 90 percent of the dams were built before adoption of currently used, state-of-the-art design and construction practices. Reclamation continuously evaluates dams and monitors performance to ensure that risks do not exceed the Federal Guidelines for Dam Safety Risk Management and the Public Protection Guidelines. The Dam Safety Program represents a major funding need over the next 10 years, driven largely by necessary repairs at B.F. Sisk Dam in California. The B.F. Sisk Dam is a key component of the Central Valley Project, providing 2 million acre-feet of water storage south of the California Sacramento-San Joaquin River Delta. Reclamation is modifying the dam to reduce the risk of potential failure resulting from potential overtopping in response to a seismic event, using the most current science and technology to develop an adaptive and resilient infrastructure. In addition to B.F. Sisk, Reclamation has identified 12 projects with anticipated modification needs through 2030, as well as 5 additional projects that will be assessed for potential risk reduction efforts prior to 2025.

The proposed budget also requests $105.3 million for specific Extraordinary Maintenance (XM) activities across Reclamation in FY 2024. This request is central to mission objectives of operating

and maintaining projects to ensure delivery of water and power benefits. Reclamation's XM request relies on condition assessments, condition/performance metrics, technological research and deployment, and strategic collaboration to better inform and improve the management of its assets and deal with its infrastructure maintenance challenges. Reclamation was also appropriated $3.2 billion in the BIL, and the allocation plan for FY 2024 funding has been provided to Congress as mandated.

Renewable Energy: Reclamation owns 78 hydroelectric power plants. Reclamation operates 53 of those plants to generate approximately 15 percent of the hydroelectric power produced in the United States. Each year on average, Reclamation generates about 40 million megawatt hours of electricity and collects over $1.0 billion in gross power revenues for the Federal Government.

Reclamation's FY 2024 budget request includes $3.5 million to increase Reclamation hydropower capabilities and value, contributing to Administration clean energy and climate change initiatives and enhancing water conservation and climate resilience within the power program.

Section 70101 of the BIL established the Indian Water Rights Settlement Completion Fund (Completion Fund), making $2.5 billion available to the Secretary of the Interior to satisfy Tribal settlement obligations as authorized by Congress prior to enactment of the BIL. In FY 2022 and FY 2023, the Department allocated $2.26 billion of those funds, $608.5 million of which supported Reclamation's Tribal settlement implementation actions. Additional funding from the Completion Fund will be allocated in FY 2024. In addition to the Completion Fund, FY 2024 represents the fifth year of Reclamation Water Settlements Fund (RWSF) allocations, which provide $120 million in annual mandatory authority for Reclamation Indian water rights settlements. Funding made available by previous mandatory authorities, such as that authorized in the Claims Resolution Act, remain available for settlement implementation, while the ongoing operations and maintenance requirements of the Arizona Water Settlement Act are expected to continue to be supported within the Lower Colorado River Basin Development Fund.

The investments described in Reclamation's FY 2024 budget, in combination with BIL and the Inflation Reduction Act implementation and prior year efforts will ensure that Reclamation can continue to provide reliable water and power to the American West. Water management, improving and modernizing infrastructure, using sound science to support critical decision-making, finding opportunities to expand capacity, reducing conflict, and meeting environmental responsibilities are all addressed in this FY 2024 budget request. Reclamation continues to look at ways to plan more efficiently for future challenges faced in water resources management and to improve the way it does business.

Thank you for the opportunity to summarize the President's FY 2024 Budget Request for the Bureau of Reclamation.

Mr. FLEISCHMANN. Thank you, Commissioner Touton.

At this time, we are going to begin our first round of questions and I will begin with General Spellmon.

First and foremost, sir, I want to thank you. You have visited the District. You have been with us in our office. When I have reached out to you with phone calls, at times of urgency. I appreciate everything that you have done and your responsiveness. Much appreciated. As well as your—as well as the entire Nashville Corp. They have done a really good job in communicating with us on a very regular basis.

I wanted to talk with you today about the Chickamauga Lock Project. Obviously, this is in my district and this has been one of my highest priorities since I have been in Congress. And I was elected in 2010 and began serving in 2011.

This project is a high priority not only for me, but within the inland waterway system and I would like to ask if you could provide an update on the progress of ongoing work, but before I ask you to do that, to stress that construction on that Lock has not ceased, will not cease, and continues at a robust pace so that this Committee and my constituents would know exactly where things are.

In that regard, what is your assessment of the path forward, sir, and when do we now expect that that project can be completed? Thank you, sir.

General SPELLMON. Yes, sir. First of all I want to thank you for your leadership and I've enjoyed our walks on this project extensively.

As Secretary Connor said, a lot of these projects are about strengthening the supply chain across our country, and this is a great example. When this lock is completed, we'll go from passing one barge at a time to nine barges at a time.

So great for industry. So sir, since the last time you and I visited this project we have gained a lot of momentum. We are now hitting our concrete placement rates that we set out for.

Just as important, our workforce, our contractor workforce is now at 425, that's where we want to be. And I think, most importantly for all of us, the sticky safety issues that we had early on in the project have been resolved.

And so that is helping recruiting the right workforce there as well. So as a result of that momentum, when I submitted my budget request back to Secretary Connor six months ago, we have since developed an additional capability for work that we can accomplish in 2024, and this would be the final contract that would get the new locks ready for service and it's also the final site restoration and will decommission the old lock.

And then, sir, with that additional work in 2024, we can have an operational lock in 2026.

Mr. FLEISCHMANN. Thank you, General. I appreciate that response.

Commissioner Touton, on March 17th Secretary Haaland sent a letter to the full committee ranking member outlining how a return to Fiscal 2022 spending levels would impact the Department's mission.

The letter suggested returning to Fiscal 2022 spending levels would result in reductions between four and 22 percent, depending

on how cuts are allocated between defense and non-defense activities.

The letter states that these reductions would quote, irresponsibly undermine ongoing efforts to increase water supply and reliability projects, drought preparedness, and response, and limit funding needed to maintain and operate ongoing western water and power deliveries, end quote.

Reclamation's 2024 budget proposes cutting funding for the agency by 25 percent overall and more than 27 percent for water and related resources. Can you help me please understand the difference between the results suggested in the Secretary's letter and the impacts of your budget request?

And in that regard, do you agree that it is possible to craft a bill that spends taxpayer's funds responsibly and appropriately prioritizes our nation's water infrastructure while reducing funding for lower priority items? Thank you.

Ms. TOUTON. Thank you, Mr. Chairman. Reclamation's FY 2024 President's budget request allows us to prioritize our actions in meeting our mission of delivering water and power in the American West.

Additional cuts to our 2024 budget would have real impacts to the way we are able to operate in the West. So I look forward to working with you, but we can meet our mission with our FY 2024 budget request.

Mr. FLEISCHMANN. In the interest of time, thank you. In the interest of time, I'm going to yield now to Ranking Member Kaptur for questions for five minutes.

Ms. KAPTUR. Thank you, Mr. Chairman and thank you all for your testimony today.

General Spellmon, I am going to address you first. In terms of Corps staffing, and you can submit this for the record, but give me a general sense, give us a general sense.

In view of the significant weather-related challenges that we are facing as a nation, in terms of Corps staffing, could you generally comment on your professional staffing levels and the percentage of those who are, I would term, civil engineers versus environmental engineers, land and regional planners, and earth and climate specialists? Earth science and climate specialists.

If you were to categorize those differently. I think when I asked for these figures a couple years ago, I think there were eight environmental engineers on the—I couldn't believe the number when they sent it over. I am wondering if you could give us a general sense of your staffing capabilities in order to meet the needs of a new day?

General SPELLMON. Yes, ma'am. Thank you for the question.

All combined, all the work that we do in our Civil Works Program, our military program, the work that we do internationally, the Corps Program today is above $90 billion.

And so as you know, ma'am, we are project funded, and so we hire the types of engineers for the work that we need at hand. So specifically for environmental engineers and biologists, that represents about 8 to 9 percent of that $91 billion today.

And so that particular specialty represents today about 11 percent of our workforce. So ma'am, the numbers you have, I'm sorry,

we have about 4,000 environmental engineers and biologists on our staff today out of about a workforce of just over 37,000.

Ms. KAPTUR. Okay. Repeat those numbers? How many?

General SPELLMON. 4,000, ma'am.

Ms. KAPTUR. 4,000 out of?

General SPELLMON. Out of 37,000.

Ms. KAPTUR. 37,000. Okay. Well, I think that's a serious impediment to progress. I really do. And so I just wanted to ask your staff, we'll submit more questions for the record, but to pay attention to these, I call them professions of the 20th and 21st centuries, that give us a broader view of how to address some of the challenges that we face, especially in terms of climate change.

I wanted to ask Assistant Secretary Connor, there are some who are proposing in the Congress, generally on the other side of the aisle, to cut about third or 30 percent from non-Defense funding overall, which is what supports programs such as the Corps of Engineers and the Bureau of Reclamation.

Could you give us a sense of what that would do to you as an agency in view of the challenges that we face?

Mr. CONNOR. Thank you, Congresswoman Kaptur. As a threshold matter, I would just say we very much appreciate in the Civil Works Program the bipartisan strong support that we've gotten for appropriations level.

But the kind of cuts that you've just referenced, if they were to occur in the Civil Works Program would be devastating. And they're not devastating to the Corps, they're devastating to the communities who rely on the work that we are authorized and directed to do.

And I'll just give you an example. Obviously everybody probably understands the significant backlog of existing authorizations that we have, given prior WRDAs. On top of that, in the last Water Resources Development Act, we have about $65 billion of new project authorizations that we are directed to carry out, as well as 94 new authorizations for studies.

And we have a program right now that is carrying out about 69 study activities right now. So that's a significant ramp up and it's indicative of what you've described, which is the challenges, the risk, the changing nature of our climate that is creating these risks. And the communities need assistance. They are looking for the assistance and they're looking for the expertise of the Corps.

So I think it'd be devastating. The last thing I'll just add to General Spellmon's point that he just made, in 2011, the Corps was executing about, what was the number, $35 billion. Today the Corps is executing about $91 billion of work with basically the same workforce.

So the fact that we're keeping up is amazing and a testament to the leadership within the Corps, but we're at our end and we need to ramp up and we need to ramp up from appropriations a workforce to meet the demands that currently exist.

Ms. KAPTUR. Thank you. Are you finding yourself having to take a multi-watershed approach as opposed to, you know, I hear you say project, project, project, but it exists in a broader framework. How do you see your work on resilience addressing climate change issues across this country? What's changing?

Maybe General, you want to take a crack at that?

General SPELLMON. Yes, ma'am. So I would tell you that we learned a lot from our North Atlantic Comprehensive Coastal Study, similar with our South Atlantic Comprehensive Coastal Study and we want to take everything that we learned there and bring it to the Great Lakes Coastal Resiliency Study.

I think these are very powerful watershed studies that we'll learn a lot from and it will drive the right investments in construction.

Ms. KAPTUR. Thank you very much. Time has expired. Thank you very much, Mr. Chairman.

Mr. FLEISCHMANN. Thank you, Ranking Member Kaptur.

At this time I recognize the gentleman from Idaho, Mr. Simpson for five minutes for questions.

Mr. SIMPSON. Thank you. And thank you all for being here today. And I don't want to be a stick in the mud, but as we talk about the impacts of what reducing spending would have on programs and stuff, that is something that we need to examine, we need to take into consideration.

But we should also take a look at inflation and what it is doing to the American people and the cause of inflation. If you talk to most economists, they will tell you a large part of the reason we have inflation is because of the excessive, and I mean, excessive spending that we have done over the last several years.

We actually have hundreds of billions of dollars sitting out there in COVID relief funds that have not been spent. That's just amazing to me.

And today I actually heard from Mr. Connor that they didn't ask for any money from the Inland Waterway Trust Fund because they got it in one of these bills that passed, whether it was the Build Back Better, or Infrastructure, whatever it was. Sounds to me like you didn't need it if you could have got it from the Inland Waterway Trust Fund?

Do you want to respond?

Mr. CONNOR. Absolutely, sir.

At the time the budget was prepared, we did not have any capabilities identified in the Inland Waterway's Trust Fund because we had a substantial amount of work, well over $2 billion of work that we were executing on.

As General Spellmon relayed in one of the prior questions, we've identified another $400 million in that time, based on cost increases as well as new activities that we could undertake at about five different projects.

So this ebbs and flows, but we do have additional capability, as articulated by the General just a few moments ago.

Mr. SIMPSON. But your budget doesn't request any money from the Inland Waterway Trust Fund?

Mr. CONNOR. When the budget was prepared, no, we did not have that capability. We did not request that funding. You are correct.

Mr. SIMPSON. Thank you.

Okay. So many questions, so little time. Since I've been in Congress I have been working on a project and I am sure that you

probably anticipated this question, on the Gooding Wall in Gooding, Idaho.

It was constructed in 1941, I won't go through what we have been through before, but the existing channel is a flood risk for public infrastructure and private property and rehabilitation was authorized in 2007.

2020 the Corps notified the city of Gooding that a large portion of the project would have to removed because the cost of the project now exceeded the authorization. Last year I was able to increase that authorization through WRDA and funded the planning and design through community project financing.

I understand that the Corps needs to complete the federal cost share agreement amendment, finish the study project, and execute the project partnership agreement before construction can start.

Assistant Secretary Connor, if the funding is provided for construction in FY 2024 for the remainder of the project, can you commit to making sure that these steps are completed so the contract can be awarded in 2024?

Mr. CONNOR. Absolutely. I can turn it over to General Spellmon for more details, but if the funding is provided, we will execute.

General SPELLMON. Yes, sir. Thank you for the increase in authorization. So with the $2.3 million that we received in 2023 appropriations, we'll finish our letter report and we'll initiate the design, as we discussed last time. The five bridges associated with this project will be included in that report and we're going to work—the lava rock that is currently stabilizing that channel will be replaced with a more suitable material.

And yes, sir, we'll be ready to award a contract in 2024.

Mr. SIMPSON. I appreciate that. Thank you.

Let me talk about another issue. Assistant Secretary Connor, I am aware of an initiative near the Salton Sea in California, which seeks to develop geothermal energy and critical minerals from brine under the surface of the Imperial Valley.

Not only is this location one of the largest sources of Lithium in the United States, which is essential to the production of Lithium-Ion batteries for electric vehicles, but it is also believed to be one of the most promising domestic sources for critical minerals.

Imagine what this effort means for the U.S., as we strive to lessen our dependance on China for these materials. I know of this initiative because the party involved is working closely with the Idaho National Laboratory to evaluate and understand which critical minerals exist in economically recoverable quantities.

My understanding is that initial permit applications for this initiative are presently pending before the Army Corps and additional permit applications are expected in the future. I also understand that you recently had discussions with the project sponsor.

Can you give us an update on the status of the Army Corps review of this project and a potential timeline for the permitting process, and what specifically is the Corps doing to ensure that this valuable domestic supply of Lithium and other critical minerals, and rare earth elements can be permitted and in production in a timely fashion?

Mr. CONNOR. Yes, sir, Congressman. I appreciate the question. This is a complicated one, but I'll try and be succinct. I did recently

meet with the organization, the company moving forward with the permitting processes.

So we have been working on permits on a phase-by-phase basis. That's the nature of the discussion so far between the company and the Los Angeles district.

We think there are some issues that they're working through resolution on, but I think that will create a foundation to a different approach. And what we have been talking about, is there a programmatic approach we can take? This is an eight-phase project and it has all the benefits that you just articulated.

Can we take a programmatic effect look at the permitting, think about compensatory actions that the company could take that would not only facilitate the overall permitting and expedite our approach to that, but also feeds into the issues that the Bureau of Reclamation is doing with the Salton Sea, the conservation and restoration, or at least the alleviation of the impacts of the receding Salton Sea.

So we think this has the potential to be a win, win, win from an economic standpoint, environmental standpoint, and hopefully we can demonstrate permitting efficiency.

So those conversations are at the nascent stage, but I look forward to jumping in and helping to facilitate that.

Mr. SIMPSON. Thank you.

Mr. FLEISCHMANN. Thank you, Mr. Simpson.

At this time I recognize the gentleman from Illinois, Mr. Quigley, for 5 minutes for questions.

Mr. QUIGLEY. Thank you, Chair. Thank you all for your service and for being here. The ranking member brought up the issue of invasive carp and the threat to the Great Lakes—are just source of fresh water for our country and the world.

And obviously, I guess speaking on behalf of all the members who represent alongside and our constituents those Great Lakes, they have the following concerns obviously supporting the Brandon Road Lock and Dam Aquatic Nuisance Species Barrier Project, which needs a shorter name, as well as Chicago Sanitary and Ship Canal dispersal barriers, which work to address this issue.

Where are we? What do we still have to do in terms of the projects themselves, and the appropriations that have to come with it?

General SPELLMON. Sir, I'll just start out by saying we appreciate the generous appropriations, both in 2022 and 2023 of 273 million toward the Brandon Road Project. The challenge we are having here is getting to a project partnership agreement with the state of Illinois. We certainly understand your concerns on cost, the concerns on the safety of the electric barrier, the concerns with operation and maintenance responsibilities into the future, and some concerns on state water quality. So without the project partnership agreement we don't have access to the additional 225 million that was provided by the bipartisan infrastructure law.

So, sir, in short, we are moving out on the design with the funds that we have, and we are hoping that as we get further into designs that we can allay some of the concerns from our Illinois partners.

Mr. QUIGLEY. And what would the timeframe be from that point on? In other words, if you had a partnership, you've got the design work done.

General SPELLMON. Yeah.

Mr. QUIGLEY. How long is construction going to be?

General SPELLMON. Sir, right, sir. So with efficient funding, we believe this is an eight-year build.

Mr. QUIGLEY. And in the meantime, is there sufficient barrier out there to keep the seemingly inevitable from happening and the species to get into the Great Lakes?

General SPELLMON. Yes, sir. So I mean, not at Brandon Road, but you mentioned our other project, the Chicago Sanitary Ship Canal.

Mr. QUIGLEY. Right.

General SPELLMON. So that, the first barrier there has been complete and that has been in operation now for over a year. The second barrier was funded to completion, and that will be complete in June of this year, just to add additional redundancy to that system.

Mr. QUIGLEY. Did you want to add to that at all? Okay, very good.

I just have a question out of curiosity about boom and bust drought. It seems there are areas, and I say this from a distance, where there are droughts, and we have all these systems in place to worry about stormwater and getting water the heck out of there as quickly as possible to avoid flooding. But there doesn't seem to be as much infrastructure out there in terms of retention, right? You had a drought for such a long period of time, and then all of a sudden you are just inundated.

What might be put in place in the future to address both needs?

Ms. TOUTON. Thank you for that question. The past is no longer indicative of the hydrology we see in the future, as you mentioned. And so what we are doing now with our budget request, but also with the funds that we have been given, is investing in infrastructure in a different way.

B.F. Sisk I mentioned as a dam safety project. We are also looking at building capacity there so those events that you see in California we are able to capture in that storage once that is raised. And we are also partnering with the Corps on type of activities, including forecast-informed reservoir operations, how can you maximize when you see an atmospheric storm coming and be able to gain flood control, but also water supply benefits from that?

And finally, we are making water available in the Central Valley. People are being put on the ground to be able to recharge the aquifer systems so that we can manage not just surface water, but our ground water resources as well.

Mr. QUIGLEY. I appreciate that.

Ms. TOUTON. Thank you.

Mr. QUIGLEY. And I yield back, Mr. Chairman.

Mr. FLEISCHMANN. Thank you, Mr. Quigley.

At this time I now recognize the gentleman from the state of Washington, Mr. Newhouse, for 5 minutes. Thank you, sir.

Mr. NEWHOUSE. Thank you very much, Mr. Chairman. Good morning to our panel. Certainly your reclamation and the Army Corps, or, gosh, what could I say, a significant presence and re-

sponsibility in Central Washington, so I'm delighted that you are all here this morning.

Commissioner Touton, it has been a pleasure I might say just working with you, certainly in the Yakima Basin. Looking forward to you coming out to Central Washington and seeing the great progress we are making in the Columbia Basin and all the projects there as well.

So Mr. Connor, I would like to talk about something that several of us up here on the dais are interested in, the Lower Snake River dams. Certainly, as you know, there is ongoing mediation and litigations surrounding salmon and the four Lower Snake River dams.

Question about the legal standard, if I may. Within the ESA, the Endangered Species Act, its actions must not jeopardize the continued existence of the species. But it seems that through the mediation the objective has changed to healthy and harvestable runs, which are quite different standards. And I don't see that term in code or in law.

Just like my friend from Idaho, Mr. Simpson, very interested in seeing healthy populations of salmon. I think with all the money that has been invested we are seeing returns on that, that not only in these four dams, but other dams around the area and in the country. I just want you to help me understand the changing standards and the objective. If the mediation stops or fails and the case returned to court, my guess is we would return to the ESA standards.

So could you talk a little bit about that?

Mr. CONNOR. Sure, Congressman. Thank you for the question. I think you really just articulated my answer, which is going to be what do we have to do and what should we be doing?

Mr. NEWHOUSE. I hate to do that, give you the answer.

Mr. CONNOR. Yeah. Thanks very much. I'll take it. Any lifelines are appreciated.

Certainly, the Endangered Species Act, you know, it is the nonjeopardy standard. Do not take federal actions that create jeopardy to endangered species or endangered threatened species. That is currently the responsibilities and the obligation, and if we don't operate to that standard, then obviously we can be stopped in our actions.

But that standard as our goals through the programs that Congress has authorized and many other actions that we take, we look to make affirmative investments to get to that healthy and harvestable levels. It's not just from an Endangered Species Act. We have treaty responsibilities to tribes. And we as federal agencies and in this administration take that very, very seriously, as I know many members of Congress do.

So we have an objective through our discussions and our actions to ensure that we maintain what we are required to do under the Endangered Species Act, but also, how can we look at Lower Snake River restoration overall through habitat actions, through flow actions through—you know, we committed to taking a look at the breaching of those dams. That is not within our authority to breach those dams.

We understand that is Congress's responsibility, but it should be looked at as we look at the whole suite of actions we need to be

taking to get to that healthy and harvestable standards, as well at the same time what do our energy systems require? What do the transportation needs of the agricultural sector require?

So it is, it is part—healthy and harvestable is a goal. It is not a requirement of the ESA. But I hope that kind of explains the differences from my perspective.

Mr. NEWHOUSE. Okay. Thank you. My answer was shorter, by the way. And so given that we—the salmon returns we have seen are higher in the recent years, could you talk a little bit about the work the Corps is doing, engaged in to improve the existing hydropower assets, like the four dams in question as you work to improve salmon passage?

Mr. CONNOR. Sure this budget request includes $93 million for salmon restoration efforts. A lot of that is required by the biological opinions on the Willamette system, but we haven't just focused on the Willamette, which has been the priority based on the litigation to date. We have included another 20 plus million dollars for Columbia River fish passage improvements, repairs, hatchery improvements overall.

So we are looking at the fish passage facilities as well as hatchery, making infrastructure improvements, because we are—even as we talk about Lower Snake, there are a lot of things we can be doing in other places right now to improve passage, and we are trying to make that investment through this budget.

Mr. NEWHOUSE. Yeah, appreciate that.

And sorry, Mr. Chairman. I have gone over my time, but I yield back. Thank you.

Mr. FLEISCHMANN. No problem. Thank you so much, Mr. Newhouse.

At this time I recognize Ms. Letlow, from the state of Louisiana.

Ms. LETLOW. Thank you.

Mr. FLEISCHMANN. The great state of Louisiana, for 5 minutes for questions. Thank you.

Ms. LETLOW. Thank you, Mr. Chairman, and thank you for being here, and please bear with me as I get through my story, but it is—I wanted to share it with you.

General Spellmon, as you may know, the L.C. Boggs Lock and Dam is one of five locks and dams on the Red River within the J. Bennett Johnston Waterway, which extends 236 miles from the Mississippi River through the Old River and the Red River to Shreveport, Louisiana.

It was recently discovered that 11 of the dam Tainter gates were severely corroded in critical condition and in danger of failing at any time. The state of the dam was declared an emergency by the Vicksburg District's dam safety officer.

Now, it is my understanding that the original cost estimate to repair all 11 gates was $74 million. And earlier this year, the Vicksburg District entered into a contract with a local fabricator to repair the first five gates at a much lower cost than the estimate.

The local contract had an option to extend within 60 days to complete the remaining gates with no economic price increase. This extension would have repaired all 11 gates at nearly half the original price. Unfortunately, the 60-day contract extension window has re-

cently closed, and now we have lost the opportunity to resolve this problem at a lower cost.

I brought this up, this time sensitive issue, with the head of the Mississippi Valley Division and our office flagged the issue for Corps headquarters. In our discussions with division and headquarters there seemed to be no rush in efficiently resolving this issue so we could have lowered the estimate. We all know these gates will have to be repaired, so why not do it in a timely manner and at a less cost to our taxpayers?

My question is this. Were you aware of this time sensitive contract situation, and was there any communication and action regarding this situation between the Vicksburg District, the Mississippi Valley Division, and headquarters?

General SPELLMON. Yes, ma'am. Thank you for the question. This is my understanding. You are correct. We did get a much better bid on this work. It was $28 million that we received in 2023 appropriations. That allowed us to move out on the first five of the eleven gates.

Ma'am, the capability—we needed an additional 21 to exercise that option that you are referring to, so we are going to report that if offered a work plan for 2024 as a capability to get that work done.

We will stay in close communications with our great contractor down there to get us the best benefit. But this district simply didn't have the cashflow to move out on that option at the time.

Ms. LETLOW. Okay. What can this subcommittee and the Army Corps of Engineers do in the future to be better stewards of our taxpayer dollars and ensure efficiency in a time sensitive manner such as this one?

General SPELLMON. Yes, ma'am. So I would say we are doing a number of things to get after the cost problem. I will just give you the top three. First, we are meeting regularly with Associated General Contractors. They help us understand cost and labor implications, not only nationwide, but in certain pockets of the country.

I am working hard on cost engineers. A year ago, I had 350 cost engineers in USACE for a $90 billion program. People would tell you you need about 500. We are at 422 this morning, so we hired additional 72 and we are going to work on the remaining 78.

And the other thing we are working on is just alternate suppliers. So we will run into problems at some of those old lock and dams where a piece of machinery will have a long lead time, and so we are working with Defense Logistic Agency where we can get maybe not the same model, but the same specifications, and cut that time in half or in third.

But we are committed to it, ma'am, and thank you for raising these.

Ms. LETLOW. Thank you. I want to follow up on Mr. Simpson's concerns about the Inland Waterways Trust. You know, I am afraid that the budget you are advocating for today picks winners and losers. Communities throughout this country are struggling and large scale inland waterway construction projects provide an opportunity for regions to achieve economic stability.

I don't think this was the Corps intent, but unfortunately this budget request overlooks the needs of river communities like mine

and others on the committee. And while I understand your concerns, but as we have seen with the L.C. Boggs Lock and Dam situation, the longer we wait to fund these projects, the more expensive they will be for the taxpayers.

And additionally, the inland industry has continued to support this program through the diesel fuel tax, and as we move support with fiscal year 2024 Appropriations bill, I strongly encourage the Corps to take a hard look at the inland portfolio to determine how we can allocate financial risk to ensure that we finish lock construction projects with trust fund dollars.

General SPELLMON. Yes, ma'am. And I will just highlight again, since I turned my budget request into the Secretary last September we have identified over $400 million in capability for our inland waterways. From that, the Inland Water Trust Fund has a balance of about $180 million, and this would draw about $140 million from that balance for their part of the cost share.

Ms. LETLOW. Okay. Thank you.

Mr. CONNOR. Can I just add the inland waterways are a jewel——

Ms. LETLOW. Yeah.

Mr. CONNOR [continuing]. Of our system——

Ms. LETLOW. Right.

Mr. CONNOR [continuing]. Of water infrastructure in this country. And so I knew this would be an issue in the budget as—roll it out. I will face the music with the Inland Waterways User Board in a month, but we are strongly committed to, one, reporting capability as we are aware of it to this subcommittee, as well as to continue to look long in the future to ensure that we are making investments that we need to make to build resiliency in that system and then build capability in that system with the expanded locks.

Ms. LETLOW. Thank you for your commitment. I yield back.

Mr. FLEISCHMANN. Thank you, Ms. Letlow.

At this time I would like to recognize Mr. Morelle from the state of New York for 5 minutes. Mr. Morelle.

Mr. MORELLE. Thank you, Mr. Chairman and Ranking Member Kaptur for holding this important hearing, and certainly thank you to our witnesses for joining us to discuss the budget request for the Army Corps and Bureau of Reclamation.

I am proud to represent Rochester, New York and the southern shore of Lake Ontario. The Great Lakes are true and natural treasures, having both tremendous environmental and economic importance. Ensuring the Great Lakes are prioritized and protected is utmost importance, and the Great Lakes support jobs, tourism, agriculture, transportation, and much, much more.

The climate crisis continues. We have dramatically negative impacts on our planet and environment, and the need to respond to more frequent and damaging storms has never been more important, and that has been particularly the case in my area. In my district I have witnessed the devastation of these storms, particularly over the last several years. So adjusting our thinking and creating a strategy that gives us the ability to withstand, recover, and adapt to these weather-related events is paramount in my mind.

My district also includes Rochester, Irondequoit, and Oak Orchard Harbors along the southern shore, and they generate about

$27 million in local revenue and support nearly 350 jobs. I recently visited the Oak Orchard Harbor in Orleans County where I saw firsthand how beneficial recreational harbors are, particularly to smaller rural communities. And ensuring those harbors are dredged and maintained for both public and commercial use is of critical importance.

So let me ask, and I guess you can decide who should respond. Probably, General, you, but—and maybe the Secretary, how Congress can support your efforts to ensure smaller communities in particular around recreational harbors like Oak Orchard are routinely dredged and maintained?

General SPELLMON. Sir, I would say Congress is already helping with the—as Secretary Connor mentioned, the generous appropriations that we have received. But as you highlighted for these three recreational harbors it is never enough.

So today I am responsible for 577 federal navigation channels across the country; 440 of them are associated with harbors that you have described. We will continue to make our best technical argument for this.

But I would just also say in addition to the funding, it is also the increased targets that Congress gave us in WRDA 2020 on increasing the level of investment that goes to these 440 low-use harbors.

Mr. MORELLE. Very good. Thank you.

Did you have something to add, sir?

Mr. CONNOR. I was just going to mention we respect the prioritization that Congress gives to some of these smaller harbors, because we don't always see it in our overarching programs, so we respect that role totally.

Mr. MORELLE. Thank you. As I mentioned, my community has dealt with historic flooding in recent years and communities along the shoreline are becoming increasingly vulnerable due to a series of factors, so ensuring there is a plan to both prevent and respond to flooding is of vital interest to the residents along the lakeshore.

So tell me a little bit in the time we have remaining what steps the Army Corps is taking to ensure communities are prepared for lakeshore flooding and what mitigation efforts are taking place.

General SPELLMON. Sir, I will start, just two things. First, I mentioned earlier the Great Lakes Coastal Resiliency study. Sir, in that study we are looking at 4,500 miles of Great Lakes coastline, so compare that with the Atlantic Coast of 2,100 miles. And so that watershed approach is going to allow us to focus on the most acute issues that are out there.

And I will just tag onto that a big part of that study is the generous research and development budget that the president proposed for us, because we think there is a number of things that we can do to combine with structural solutions and nature-based solutions to get after some of these specific challenges in your communities.

Mr. MORELLE. I'm sorry. Did you have something, Secretary?

Mr. CONNOR. I would just add on the R&D initiative we have to better assess risk and vulnerabilities and predictive modeling and understand climate-related science and its impacts on shorelines, whether they are lakes or on coasts, is an incredibly—part of the

work that we are—we anticipate doing for all the risks as you just described.

Mr. MORELLE. And when I first came to Congress, 2018, this was a critical priority for me and I appreciate the ranking member's continued support of this as well, because the Great Lakes are critical.

Can you just give me an update on the status of that study?

General SPELLMON. Yes, sir. Last September we signed a cost-sharing agreement with all eight Great Lakes states, so now we are developing the project management plan and we are scoping this effort with the eight states' involvement.

Mr. MORELLE. Very good. With that, Mr. Chairman, I yield back. Thank you, sir.

Mr. FLEISCHMANN. Thank you, Mr. Morelle.

At this time I would like to recognize Ms. Lee from the state of Nevada for 5 minutes. Thank you.

Ms. LEE. Thank you, Mr. Chairman, and thank you to all the witnesses today. Commissioner Touton, I wanted to touch on you being from Nevada obviously dealing with the impact of the drought. I just wanted to, one, clarify some things that despite the fact that we are seeing an incredible amount of precipitation especially in California that the situation we are dealing with on the Colorado River obviously is exacerbated by this drought, but also to a certain extent the river is simply oversubscribed. Is that correct? Is that a good assessment of that?

Ms. TOUTON. I think the hydrology that we're seeing shows less into the reservoirs.

Ms. LEE. Okay. I just wanted to clarify that. Mr. Quigley referred to it as a boom and bust type of situation, but I think we are sort of on a bust trajectory based on, like you said, the hydrology. But given the historic nature and the urgency of this shortage you called on the seven Colorado River states to come together and develop a plan to reduce their water by 2- to 4 million acre feet each year, and this January six of the seven of them including Nevada successfully coalesced around an approach to do so.

This is one that I urge the Administration to move with all possible speed. I know that you and your team are actively engaged in this difficult work preparing updates by the way of the Supplemental Environmental Impact Statement to federal operating guidelines to safeline the river including the Glen Canyon and the Hoover Dams. Can you update us today on the status of what is going on in next steps of the SEIS process?

Ms. TOUTON. Thank you for that question, Congresswoman. Not only is this my home district, but it is also my home basin. And so what we have been able to do on the Colorado River Basin is work with the seven basin states and start putting those conversations on a path forward. It is not just with the seven states. It is also with the country of Mexico, and there are also 30 tribes in the basin that call this home. We are moving forward on the Supplemental EIS process. We anticipate a draft EIS will be available later this spring. And part of that, the expedited process, was the hydrology that we were seeing when we started this didn't anticipate the snow that we would get this year. But it doesn't change, as you mentioned, the trajectory of needing those tools should we

need them in the future to protect the system. So I am confident both in our conversations with our partners and the history of collaboration in this basin but also the investments that Congress has made in the Colorado River Basin that we can move on a sustainable path forward.

Ms. LEE. Thank you. And can you also confirm your fiscal 2024 budget request ensures that you have everything you need to address the crisis with the resources and speed that this requires?

Ms. TOUTON. Yes, Congresswoman. First, thank you to Congress for the additional plus-Up in fiscal year 2023, specifically with the drought contingency plan. Along with Bipartisan Infrastructure Law funding as well as Inflation Reduction Act funding, we are able to allocate those funds expeditiously both in the short-term investments but also as you will see later the spring long-term, sustainable infrastructure in the basin.

Ms. LEE. And some members of Congress are proposing that we refer back to fiscal year 2022 funding levels. Can you tell us what this reduction would do to—what it would mean for those of us who are on the Colorado River who are counting you all to help us secure a sustainable future? What would that funding cut mean to your ability to help?

Ms. TOUTON. Our Fiscal Year 2024 budget request allows us to continue the work we are doing along with our additional funding with the Bipartisan Infrastructure Law and Inflation Reduction Act. Any reductions to that are cuts that we have not taken into account as we are tracking the work on the Colorado River Basin of new infrastructure, of new efficiencies, of being able to bring consensus solutions together.

Ms. LEE. And one issue that we are looking at as recently as December water managers were predicting that Lake Powell could hit the so-called minimal power pool as soon as this summer. Can you explain what a reduction would do and help you being able to manage that?

Ms. TOUTON. The—we did not anticipate a reduction in that funding to be able to continue the ongoing work we have with securing voluntary water conservation measures along with being able to try to forge a path forward with new infrastructure projects.

Ms. LEE. Thank you. I yield.

Mr. FLEISCHMANN. Thank you, Congresswoman Lee. At this time I think we are going to have a second round of questions, so I am going to begin with that.

In May of 2022, the administration released its permitting action plan, and in the past several weeks the directors of OMB, CEQ and the Federal Permitting Improvement Steering Council issued a memorandum on implementation of this action plan. For all witnesses, and I will ask you to please be brief because I have several questions left, can you please provide some examples of actions that your agency has taken to accelerate permitting? And Secretary Connor, I will begin with you.

Mr. CONNOR. Absolutely. Permitting efficiency is a priority as I mentioned before. Interagency coordination is key. Working with other agencies to use categorical exclusions, those type of processes are one example. We are also trying to work technical assistance and support to the applicants themselves. So we have a new regu-

latory response system that allows for upfront ensuring that we get all the information we need, that applicants know precisely what we need so we don't have a back and forth that delays the permitting process.

And lastly, I would say that adequate resourcing is key, and the Bipartisan Infrastructure Law gave us the opportunity to increase. We are looking at 200 FTEs in our regulatory program as well as to put in place a regulatory viewer that allows us to consolidate a lot of the information that is critical to permitting across the nation for Corps offices. So those are three examples.

Mr. FLEISCHMANN. Thank you. General Spellmon.

General SPELLMON. I would just add we have hired 155 of those regulators. Much needed. We sent out a draft implementation plan last August. A lot of great feedback from the public, and we will turn in our final plan to Mr. Connor next week.

Mr. FLEISCHMANN. Thank you, sir. Commissioner Touton.

Ms. TOUTON. Similar to the Corps, we are looking at our own practices incorporating the CEQ guidance but there are categorical exclusions as well as implementation of our programmatic agreements like under the National Historic Preservation Act.

Mr. FLEISCHMANN. Thank you so much. General Spellmon, I am going to talk a little bit about Asian carp. I do want to thank the Ranking Member. She has been a steadfast supporter of dealing with this issue and the criticality. And I also heard from my dear friend, Mr. Quigley as well in that regard.

Tennessee is dealing with this. As you are aware, General Spellmon, WRDA 2022 authorized the Corps to carry out projects to prevent the spread of Asian carp further into Tennessee watersheds. The Energy and Water bill has provided funding, rather robust funding to begin implementation of this program. Can you please provide a status update of the implementation of this program, sir? And if you can, what is the current range of Asian carp with respect to Tennessee waterways. I think this will help all of us gauge where we are.

General SPELLMON. Yes, sir. First of all, we sent out the scoping notice for this effort last year. We received over 300 letters with a lot of great feedback from the public. So sir, we are working with Kentucky, Tennessee, Alabama and Mississippi now to identify nonfederal sponsors for this effort. We are looking at the types of barriers that could be used and where specifically on Tennessee and the other three states where they would best be implemented.

Currently, we are working on a programmatic environmental assessment for that effort. And sir, we are going to schedule public meetings in the fall of this year to walk everyone through where we are in our analysis to date.

Mr. FLEISCHMANN. Okay. But anything specific as to Tennessee, where Asian carp is in Tennessee?

General SPELLMON. Sir, I will take that as a due out. I will follow up with you.

Mr. FLEISCHMANN. Yes, sir.

Ms. KAPTUR. Will the Chairman yield just for ten seconds?

Mr. FLEISCHMANN. Yes.

Ms. KAPTUR. I would just like to say to the general and for the record I am not sure we have the proper administrative structure

dealing with this issue. General, do you feel comfortable with the interagency cooperation on trying to get timely data on where this creature is and how well we are doing on pushing it back?

Because I can guarantee you the solutions that currently exist will not solve the problem, and I am very worried about—I mean, we have invested so much in research for acoustic barriers and for all these different—but we don't see the kind of mapping that shows us how far this fish has proceeded upstream, whether we have been able to push it back.

I fault all of the agencies for not working together because Congress does not have a complete picture of this, and it is very, very serious. My lake, Lake Erie, has a $7 billion fishery that is at risk, and if those things get in that is over. The whole ecosystem is going to change Tennessee. I have had members run up to me on the floor frantic because they never knew what I was talking about, and then when it happened to them, well, yeah. Welcome. Welcome to the crowd.

So I want to thank the Chairman for referencing this. And it isn't your fault. I think it is the structure of the federal government being so stovepiped that we cannot get all the data organized in a responsible manner to enlighten all of us on what more we can do to prevent this spread.

General SPELLMON. Yes, ma'am. Just as a general comment I will tell you I think we have great relationships at the state level and certainly at the project level where we are working on this challenge. I will follow up with the Committee on our best site picture by watershed where we currently see this problem. But Ma'am, you are exactly right. Our research and development continues on the acoustic barriers, the CO_2 curtains and some of the other things that we are trying to build into the Brandon Road project. Certainly we appreciate the investment in R&D because it is going to help us advance those types of barriers in addition to the electrical.

Ms. KAPTUR. General, how far is the barrier—from the barrier currently in Illinois, the imperfect barrier, how far are the fish now?

General SPELLMON. Ma'am, they go right up to that barrier as you know.

Mr. FLEISCHMANN. Again I want to thank the Ranking Member for supplementing my comments. And I think, General, this shows the great concern over several states in a very nonpartisan way about the Asian carp incursion. So I do thank you, and we look forward to your responses.

Very briefly, the U.S. Corps of Engineers, Army Corps of Engineers, is supposed to be a permitting agency. I have a question. Why will it take possibly six years for the agency to permit Line 5 Great Lakes Tunnel project, a four and a half mile tunnel, which by design will have no impacts to navigable waters and will disturb less than one half acre of wetland?

And as a follow-up, General, in the interest of time I will ask you to be brief, why is the Army Corps not able to meet the Biden administration's own NEPA guidelines of two years for completing an EIS? The EIS for the Great Lakes Tunnel project now may take

more than four years to get to a final, and the project is only four and a half miles long, sir.

General SPELLMON. Yes, sir. And it is a very complicated four and a half miles. Sir, to be brief, I have walked this project site, the communities in the Upper Peninsula of Michigan certainly and Mackinaw City on the Lower Peninsula. The yard signs that you see out in those communities for the project, against the project, sir, they just reflect the 17,000 comments we received on the Notice of Intent.

We have a lot of material to plow through from the public, from the 18 federally recognized tribes to get after this work. Sir, at the end of the day that permit has got to stand up to the engineering and legal scrutiny that we expect. I would just share with you I have also been briefed by the company on the construction method that they intend to employ in tunnelling underneath the Mackinaw Straight. Sir, there is a bit of complexity here, and I would be happy to brief you in more detail on this.

Mr. FLEISCHMANN. Thank you. And General, I would ask you to please get with Congressman Bergman on that from Michigan. At this time, I would like to recognize Mr. Kilmer from the state of Washington for five minutes. Mr. Kilmer.

Mr. KILMER. Thank you, Mr. Chairman. I am going to try to get to two somewhat parochial topics. Mr. Assistant Secretary, a project with significant importance in my region is the Skokomish River Ecosystem Restoration Project. It is aimed to revitalize the health of Hood Canal. It represents a really amazing partnership between tribal, local, state and federal government folks to improve ecosystem conditions. That area is home to a range of wildlife and fish species. Unfortunately, there are four fish species that have been listed under the ESA.

Making sure this project moves forward is really vital. In 2019, a project partnership agreement was signed by the Corps, the Skokomish Tribe, the Mason County and the Washington Department of Natural Resources. That was a major first step forward in terms of bringing this project toward the construction phase. In the time since, the project has continued to progress including the real estate acquisition phase led by Mason County, assisted by the Mason County Conservation District, Hood Canal, Salmon Enhancement Group, the Great Peninsula Land Conservancy.

Negotiations are still underway to complete that real estate acquisition process with positive updates from the folks who are spearheading this effort and a hope to get to completion by fall of 2023.

So Assistant Secretary Connor, one, I just want you to hear that this is an important project for me and for my region. I would be interested in learning more about how the Corps is engaging with that restoration project.

Mr. CONNOR. Absolutely. Thank you, Congressman. I think we got a report on this from the Seattle District yesterday. They are working hand-in-hand with the county through the real estate acquisition process. I think that really is given the partnership agreement and the active support from state, local as well as at the federal level. We need to complete those real estate actions.

So we are going to continue to be at the county's side as we can do that to get to the construction because the bottom line is Puget Sound, incredibly important watershed for salmon restoration and probably the best ability that we have if we take actions throughout the watershed.

Mr. KILMER. Well, I am pleased to hear you say that. We are similarly rooting the county and that whole team on in terms of moving forward. Let me stick with the theme of salmon recovery and habitat restoration. Another project in our region is the Duckabush Estuary Project. That is a big deal for our region. We actually secured funding for Mason PUD 1 to relocate its power line in conjunction with that restoration project. It is a big project that includes modifying some of the local roads and elevating Highway 101 right where the Duckabush River and its freshwater meets the saltwater of Hood Canal.

It also reconnects the Duckabush River to local floodplains, and it reroutes some utilities, another big project for fish, for Orca, for our whole region. So to support this in the 2022 WRDA bill I secured a provision entitled Section 8371 Puget Sound Nearshore Ecosystem Restoration Washington. The provision was intended to address some longstanding issues pertaining to the determination of construction project features and the applicability of standard ecosystem restoration cost sharing provisions to project features.

I know we sent you a letter to raise awareness of that provision, to provide some additional background on congressional intent and to share some additional information on its impact to that Duckabush Estuary Restoration Project.

So I guess this one I will send Lieutenant General Spellmon's way. Could you just provide an update on the implementation of that 2022 WRDA provision, that specific provision? And any sense of timeline that we can share with folks back in the region would be appreciated.

General SPELLMON. Yes, sir. Last week we completed the public comment period for all 199 provisions of WRDA, and then Secretary Connor will make a decision which one of those need further implementation guidance. I think the direction from Congress, sir, is very clear on this one and what you want us to do. So we have the $6 million from fiscal year 2023 congressional funding. That will allow us to advance the design on that. Sir, the Washington Department of Transportation will complete that work for us, and we will seek the additional funds given the cost share change from the Section 8371 that you mentioned to seek additional funds to continue that work.

Mr. KILMER. I see my time is closing. I am going to submit for the record a question related to the Howard Hanson Dam, another big project for our region, important for water and for fish passage. Eager to hear how the Corps intends to meet the BiOp requirement of completion by 2030. So I will submit that for the record. Thank you, Mr. Chairman.

Mr. FLEISCHMANN. Thank you. Mr. Kilmer, if the gentleman has a brief response for you, you would gladly yield you some additional time to respond.

General SPELLMON. Yes, sir. We appreciate the funding we have received to date. We are well off on the design. I would just quickly

state that we received from Seattle District a number of different funding scenarios and timelines. I have got that analysis. I have not had a chance to bring this to Mr. Connor yet but meets the requirement to get us to 2030.

Mr. KILMER. Thanks. I would love to follow up with you on that. Thank you, Chairman. I appreciate the extra time.

Mr. FLEISCHMANN. Thank you, Mr. Kilmer. At this time, I would like to recognize Mr. Simpson of Idaho for five minutes for questioning.

Mr. SIMPSON. Thank you, Mr. Chairman. I wasn't going to bring this up, but since it has been talked about by my good friend to the left of me I do have to say, and this doesn't require a response or anything, if you look at the trend line of salmon—Idaho has four salmon runs that are on the endangered list—it is downward. SARs rate is .7 percent. That is headed toward extinction. It is not just the dams. Some people say you have 98 efficient fish passage at the dams. Maybe so. I don't know. Other people say no, that is impossible.

I glad you put $96 million, I think it was you said, requested for salmon recovery—93, and you are going to look at improving salmon habitat and all of those types of things. And I have got to admit there is a lot of places that you could do that. Idaho has the best habitat in the Lower 48 on the salmon river drainage. It is high altitude cool waters. It is not just the dams though. It is the warm pools behind the dams.

It now takes three times as long for a smolt to get from its breeding ground to the ocean, where it is susceptible to more predators. Everything else in the warm water. And Idaho sends 487,000 acre feet of water down the river out of our irrigation districts in order to wash salmon over these four dams. Hasn't worked.

So, I don't know what you're going to do to help recover salmon. I don't know what we haven't tried. I started off on this investigation that I've been doing for the last couple years saying there's got to be a way to save salmon and keep these dams here. There has to be. Then I looked at everything that we'd done. Twenty-five studies that have been done by groups working together, collaborative groups trying to find a solution.

And they always come down to ah, let's do some habitat restoration and that kind of stuff. And you take water out of Dworshak Dam to cool the pools. That's water out of Idaho. It is a perplexing problem. But before I die, I'm going to save Idaho's salmon runs. I hope you'll help us do that. Okay, now the questions. And I'm not—before I say any of this and forget to in the end, I got to tell you, I love the Army Corps of Engineers and the work they do across this country. You guys do fantastic work.

Same with the Bureau of Reclamation. You guys do great work. And while we are sometimes frustrated by things like the Gooding Wall, I think you do great work across this country, and I thank you for that and your service to this country. Let me ask you, either one of you. I'm not sure which one. How involved were you in writing the WOTUS rule or did you pretty much leave that up to the EPA because it is a joint rule of the Army Corps and the EPA?

Mr. CONNOR. It was a joint rule and we participated very heavily in the effort.

Mr. SIMPSON. Really?

Mr. CONNOR. Yes.

Mr. SIMPSON. If I was you, I would have said I didn't, that was the EPA. I'd have blamed them because——

Mr. CONNOR. I sense the opening.

Mr. SIMPSON. Yeah. I have some real problems with the WOTUS rule. And as you know, there's—and we had the director of the EPA yesterday and we talked about this. Why we would release a rule when there's a major case pending in the Supreme Court, the Sackett case that might affect that rule. Why we wouldn't put it on hold until we found out what the Supreme Court was going to rule because it might affect that, and you might have to change it going forward.

But I can tell you in the West, I haven't talked to many people that support this rule. Farmers are fearful of their practices and what they're going to be able to do and so forth. And we've either got to do a lot better selling job to both me and westerners or we're going to run into some problems. I have been frustrated for 20 years now that when the Court said we got to define navigable waters better, that seems like it's not that hard a project.

But we have a rule, new administration comes in, throw out that rule, write a new rule, a new administration comes in, throw out that rule, write a new rule. We ought to be able to come up with a rule that makes sense. And I'm not sure we've done that so far. Anyway, one other, I guess a couple things that I wanted to talk about for just a second or not talk about but get an answer to. Commissioner Touton, Indian water rights settlements.

Congress enacted several mandatory funding provisions for Indian water rights. The completion fund provided $2.5 billion to complete the ongoing settlements, but Reclamation does not expect existing funding sources to be sufficient to satisfy federal obligations. The 2024 request proposes $2.5 billion over ten years in new mandatory funding to support Indian water rights settlements implementation for both existing and future settlements and $340 million over ten years for the new mandatory funding to address the ongoing operation, maintenance, and repair requirements funded by the Bureau of Reclamation for four enacted settlements with federal O&M obligations. Could you explain all that to me?

Ms. TOUTON. Thank you for that question, Congressman. We support Indian water rights settlements. As part of the request this year is this administrative proposal for funding of the Indian water rights settlements. We take our trust responsibility seriously and our ability to be able to have this funding mechanism helps us to ensure to move those settlements forward.

Mr. SIMPSON. So, are you going to—if you've required—if you've requested two and a half billion over ten years, are we going to see a request every year for $250 million to meet those obligations? Is that—because I'm trying to look at what this committee is going to be looking forward to in next year and the year after that and the year after that.

Ms. TOUTON. What we'll be able to do is we'll work with you, Congressman, as we work through this process including the legislative proposal that is part of this administration request. But part of that is our ability to be able to continue to fund these settle-

ments because as you've mentioned, it provides certainty and stability to these communities who have entered into these agreements.

Mr. SIMPSON. Plus that it's a trust responsibility we have.

Ms. TOUTON. It is absolutely a trust responsibility.

Mr. SIMPSON. I support it. I support it fully. So, thank you for doing that.

Ms. TOUTON. Thank you very much.

Mr. SIMPSON. And we look forward to working with you on that, and thank you, Mr. Chairman, for the extra time that you gave me.

Mr. FLEISCHMANN. My pleasure, Mr. Simpson. And thank you for your questions. At this time, I'd like to recognize Ms. Wasserman Schultz from the State of Florida for five minutes for questions.

Ms. WASSERMAN SCHULTZ. Thank you, Mr. Chairman. General, it's good to see you again. I want to—you won't be surprised that I want to zero in on some of the challenges that we continue to face in South Florida and in making progress on a lot of the issues that we're facing. The one I want to touch base on today is the Central and South Florida Flood Control Project, the CNSF Restudy, which provides flood protection for the 11 million people who live within its boundaries.

The populations of Broward, Palm Beach, and Miami Dade Counties all depend on a functioning flood control system, which I think you're very aware of, and it faces substantial stress due to changes in the physical environment, especially increased rainfall intensity and rising sea levels caused by climate change. In fact, a 2009 study by the South Florida Water Management District identified 18 water control structures in Miami Dade and Broward that are within six inches of failure. Experts predict that we will have another three inches of sea level rise just in the next decade in South Florida.

Our communities across Central and South Florida have been sounding the alarm bell, and thankfully to some degree we've been able to respond by authorizing the Corps to conduct a comprehensive restudy of the flood resiliency needs of the region in last year's Water Bill, the Water Resources legislation. But to actually get the study started, Congress needs to provide the Corps with the funding you need in Fiscal Year 2024. And I have every intention of making sure that that happens.

So, later this week I'm going to submit a community project funding request to secure the funds in our annual appropriations bill. The problem though is that your folks are telling us—from the Army Corps are telling us that the Army Corps doesn't have the capacity to start the restudy in Fiscal Year 2024, even if we provide you with the needed funds. And the stated reason is—and I'm quoting—you have so much other stuff going on right now. Frankly, that's not your—prioritization is not your job. It's ours.

And if we provide you with the resources, that's just not an acceptable answer for my constituents, for the entire Central and South Florida region when we're facing such a dangerous situation. We have to start this yesterday. You know, being six inches from failure is very, very serious. We can't wait until Fiscal Year 2025. So, I'd love you to share with me what your response will be when

the Committee asks if you can execute this in Fiscal Year 2024 after I submit this request.

General SPELLMON. Yes, ma'am. So, in this case, it's much more than just funding the study. It's about—it's about people and the right people. So, today I have 69 feasibility investigations ongoing across the country. WRDA 2022 just authorized 94 more. And so, it is—it's balancing the people to get across and as you know, there's a lot going on in South Florida and that's why Jacksonville told you that they don't have a capability. It's not about—it's about getting the right people on this project. Very complex across 23 counties. Got to make sure we have the right talent to do this, to do this work right.

Ms. WASSERMAN SCHULTZ. When would you be prepared, if not in Fiscal Year 2024 if we give you the—because we're giving you the resources to do it. That's usually the problem is you don't have the resources. So, if we gave you the resources to do it, when would you be prepared to be able to execute it?

General SPELLMON. Yes, ma'am. I'm going to have to follow up. This is about hiring. This is—this is——

Ms. WASSERMAN SCHULTZ. Yeah, I know. I'm clear on that.

General SPELLMON. Right. Okay.

Ms. WASSERMAN SCHULTZ. So, what's the obstacle to your being able to hire people?

General SPELLMON. Right. So, we will—we will deep dive this with the Jacksonville District to make sure we put the right people and the right talents on the—these are—you just can't hire folks out of college to work on these complex studies.

Ms. WASSERMAN SCHULTZ. I get it. I've been on this subcommittee a long time.

General SPELLMON. Yes, ma'am.

Ms. WASSERMAN SCHULTZ. And I live in the community. So, I understand that we don't want, you know, kids off the street who have no expertise. But this is a dangerous situation. The window is closing on the decade in which we're going to be three inches from failure. So, I mean, the Corps needs to prioritize this. And so, I get that it's hiring. But you should also be prioritizing hiring the people to make sure a project that affects 23 out of 67 counties in the third largest state in the country is able to be prioritized.

General SPELLMON. Yes, ma'am. And many other places across the country.

Ms. WASSERMAN SCHULTZ. Right. But this one is fairly urgent, which is why I'm raising it and hope that we can get it executed sooner than you would anticipate at the moment. And I'm also glad that we can have a good news conversation about Everglades restoration. We've had overwhelming positive progress thanks to the historic funding that's been dedicated to Everglades restoration. Last year, President Biden set a record providing $1.1 billion for Everglades restoration through the bipartisan infrastructure law.

Just a few weeks ago we were down in South Florida with you to celebrate the groundbreaking of the embankment of the EAA Reservoir. So, it's not—no longer just a platitude that we're, you know, to say that we're making restoration progress, but that progress is in serious jeopardy. The proposed—the proposal from Republican leadership to cut funding back to Fiscal Year 2022 lev-

els across the board means cutting funding for things like Everglades restoration. Can you tell us how cutting your funding would impact ongoing operations, specifically Everglades restoration, and how that would affect the completion of the EAA Reservoir, if that would further delay construction?

General SPELLMON. Yes, ma'am. I'll give you just a general statement. I believe reductions of that measure, you run the risk of losing momentum on a number of big projects that we have ongoing across the country. The EAA Reservoir, for example, Chickamauga Lock, the Soo Lock. You could lose significant momentum on this ongoing work.

Ms. WASSERMAN SCHULTZ. And where, you know, every—with every step, Mr. Chairman, that we take, we've made significant progress here. I know there's a lot of water resources projects that are on line behind Everglades restoration, which we've talked about for years. And so, I would urge my colleagues on the other side of the aisle not to take this really counterproductive step and delay important projects like this further. Thank you. I yield back the balance of my time.

Mr. FLEISCHMANN. Thank you, Ms. Wasserman Schultz for your questions. At this time, I would like to recognize Mr. Newhouse from the State of Washington for five minutes.

Mr. NEWHOUSE. Thank you, Mr. Chairman. Just one question off—just the comments that were made. You all here to come to support the president's proposed budget, correct? My understanding is that the president's budget includes a 22 percent reduction in—over last fiscal year. Is that correct?

Mr. CONNOR. I'm not aware of the specific number for the Corps.

Mr. NEWHOUSE. So if the previous comments were true, you're already looking at a devastating reduction that you're supporting. So, just wanted to put that out there, that—let's keep this in context. But my question going back to the mediation process for the lower state river dams, I wanted to know how the participants, the Corps participants in the mediation that are engaging with the federal agencies that are not involved in the mediation, if that makes sense, to make sure that the Corps' position is consistent—excuse me—with, for example, policies on decarbonization or of transportation, global food security, and national security.

General SPELLMON. Yes, sir. I would just say that the Corps workforce from our Portland and Walla Walla District, they are very aware of the eight purposes that those dams serve the region, and they come to work every day dedicated to make sure that we're serving those congressionally directed purposes.

Mr. NEWHOUSE. No, I understand that. But within that mediation process that you're working with other agencies to make sure that those Corps goals are included and represented, correct?

General SPELLMON. Yes, sir, that's correct.

Mr. NEWHOUSE. I appreciate that. So, I appreciate very much the challenge that we have in this country of doing both things, operating and getting the benefits derived from the dams and also the challenges of a strong and healthy salmon population. I just want to say thank you very much for the work that the Corps has been engaged in, improving the dams, bringing them up to date as effi-

cient as possible, looking at ways to make them even safer for salmon runs.

And I certainly want to see a healthy salmon population but I think that the benefits that derive from these very important pieces of infrastructure are very much worth the investment that we're making. I just want to applaud you for your continued work in that regard. So, thank very much to all of you for being here. Thank you, Mr. Chairman.

Mr. FLEISCHMANN. Mr. Newhouse, thank you for your questions, sir. At this time, I'd like to recognize the ranking member, Ms. Kaptur for five minutes for questions.

Ms. KAPTUR. Thank you, Mr. Chairman. I have to say that, you know, General Spellmon, I'm looking at you and thinking of your budget. The constraints in a way that the administration has placed on this submission than some of the prior funding that you received through the Infrastructure Act and so forth, and here you're trying to hire a staff and have a steady state of increase, it's very difficult.

And so, I perceive that many of our colleagues up here do as well, and we're trying to help you help the country. So, I wanted to follow up quickly. Representative Quigley mentioned the invasive carp issue obviously is extraordinarily important. And for my own lake, as I've said, it's about a $7 billion fishery. While I appreciate the nearly $300 million that has been directed to this project so far, I'm concerned with the lack of funding in the budget request. The current submission for 2024 and recent news articles highlighting overall project costs and potential decreases to scope. So my question is, General Spellmon or Secretary Connor, can you please provide us with an update specifically on any changes to scope and concomitant increases in cost?

I don't know if you're prepared to answer that today or not, but it would be very helpful to us to understand where this—where this stands. And I think what I've learned today from the hearing is that the environmental advance of this creature is not broadly mapped nor part of the presentation, your presentation, or anyone's presentation who could actually do something about this. So, I'm troubled by the lack of interagency cooperation and so members who have a deep interest in this can understand where we are as a country and make intelligent decisions.

General SPELLMON. Ma'am, I will follow up with you with a more complete response on the reductions in scope. We're learning things as we go through some of the research and development, say, on acoustic speakers, that we may not need the quantity and dispersion that we had initially planned. So, we're learning here as we go, but I would like to follow up with you and provide a more specific response. In short, why I didn't make a recommendation to the Secretary for this particular project, ma'am, we have funding in abundance to get after the initial construction contracts that we would need once we get to a project partnership agreement with the State of Illinois.

Ms. KAPTUR. All right. I would be very grateful for then specifically any changes to scope and increases in costs related to where you are in this project because we believe that we voted for sufficient funds, and perhaps we need to have a conversation with the

Governor of Illinois. Maybe that's what we need to do. I'm not sure. But we'll talk with Congressman Quigley and others who have expressed an interest in this.

Also, on Soo Locks, I wanted to ask there are time sensitive contracts that exist with a potential of $700 million over the next two years. Secretary Connor, what is the Corps' plan to ensure the project receives adequate funding so that necessary contracts can proceed and not result in further costs. And again, to both you and General Spellmon, a project with the complexity and scope of Soo Locks requires careful oversight by your offices. What steps are you taking to ensure the local district has the resources and expertise to implement the project effectively, deliver this critically important project without any additional surprises or cost delays?

Mr. CONNOR. So, Soo Locks, obviously a very important project from a supply chain and economic perspective. And so, for that reason certainly the cost increase that was determined last year created significant hurdles for us to overcome to try and keep the project on task and to keep the base plus options contract, you know, able to be filled so that we wouldn't have further cost increases. So, we've used additional resources in addition to the $480 million that we initially allocated for the bipartisan infrastructure law. We allocated $214 million last October to cover an option.

We allocated $67 million in the 2023 work plan to cover another option. We have $235 million in this budget to cover yet another option. But we have more capability, and there are other options that we are concerned that we will not be able to meet and we would have to rebid those and in this climate, there is the prospects of additional cost increases.

So we are trying to throw every resource from every different pot that we can to keep this project moving forward. We will certainly continue with the high level of construction activity, but whether we will be able to meet all the options right now that is a question as we move into 2024.

Ms. KAPTUR. Would you provide us with some detail on what your plan is so that we don't fall behind on completion?

Mr. CONNOR. Yes. We will do that. Absolutely. We will follow up with you.

Ms. KAPTUR. Thank you. Thank you very much. General Spellmon, quickly you might be able to answer this. I appreciate your goal set on dredge material. The Corps is currently in the process of preparing a dredge material management plan for Lake Erie harbors. Could you tell us how will these new plans embrace your goal of increased beneficial use and build that into base operations?

General SPELLMON. Yes, ma'am. Thank you for your leadership on this as well. We have learned a lot from the state of Ohio and the efforts they are taking on beneficial use of dredge material. We learned a lot from the Port of Baltimore on how they are going about this. And I set out on a goal. I wanted to flip my numbers from 70 percent disposing of dredge material in ocean disposal sites, and I just had 30 percent going into beneficial use.

We are making some progress. Today we are 40 percent on beneficial use. We have the ten pilots ongoing that were authorized to us in WRDA 2020. Those have been helpful, but I would say what

we are learning from your state and wetland creation and how they are marketing some of this material that is coming out of your harbors has got us thinking in different dimensions as well. So ma'am, we are going to keep the close relationship certainly with the state of Ohio and others who are leaders in this field.

Ms. KAPTUR. Thank you very much. Thank you, Mr. Chairman and members.

Mr. FLEISCHMANN. Thank you, Ranking Member Kaptur. At this time I would like to recognize Ms. Lee from the state of Nevada for five minutes.

Ms. LEE. Thank you, Mr. Chairman. General Spellmon, as part of last year's Water Resource Development Act I helped secure language regarding the Managed Aquifer Recharge study and working group that would direct the Corps to conduct a national assessment of carrying out such projects. While Nevada currently does not have aquifer that would qualify or would be identified we benefited from this because of the regional drought resilience. And as you know reclamation states can and do participate in water banking where this excess water is transferred for storage and banked.

Major water banks such as the Arizona Water Banking Authority has stored water on behalf of the Southern Nevada Water Authority. What is the implementation of the MAR section of WRDA?

General SPELLMON. Sorry, ma'am?

Ms. LEE. Managed Aquifer——

General SPELLMON. Oh, yes, ma'am.

Ms. LEE. What is the status?

General SPELLMON. Yes, ma'am. Thank you. So as I mentioned, we completed the public comment period for all 199 provisions of WRDA 2022 last week. Very clear this is a powerful tool that Congress gave us given the authority to conduct up to ten feasibility studies on Managed Aquifer Recharge. This is with Department of Defense right now. They are looking at this specific working group, ma'am, to see if there is any Federal Advisory Committee Act requirements, and that would certainly inform any budget recommendation if it is needed.

I will tell you this is on the forefront of the research and development program for fiscal year 2024 that we want to get after. We are excited about this opportunity, and we appreciate the tools that Congress has given this year.

Ms. LEE. Great.

Mr. CONNOR. Can I just add something on this particular point?

Ms. LEE. Yes.

Mr. CONNOR. So as General Spellmon noted this is an incredibly important tool. Although the budget is a reduction from the Congress appropriated levels we have $800 million more from the budget, president's budget, and a lot of that is allocated toward R&D. So we are using that right now to move towards Managed Aquifer Recharge. We have a project now, Prado Dam, where we are doing forecast informed reservoir operations, and we will manage long-term to release floodwaters differently so that they can be picked up by the Orange County Water District so that they can manage aquifer recharge basically.

That is subject to a deviation that was just done a few years ago that we now want to make permanent. We are doing the same

thing in Arizona right now at Roosevelt Dam to look at releasing floodwaters differently so they can be picked up by the water users and stored in whatever capable system that they have. So spot on. This is an incredibly important program, but I just wanted to let you know we are already moving out where we can even before we get this particular provision implemented.

Ms. LEE. Great. That is good to hear. Commissioner Touton, I just want to follow up. You mentioned earlier all the funding you received, the $4 billion that we secured in the Inflation Reduction Act specifically to combat the effects of extreme drought as well as the $8.3 billion investment in the Infrastructure Investment Act. I just wanted to hear from you are you confident that you are getting this assistance from both of these bills out in time to make a difference?

Ms. TOUTON. Thank you very much for the support of Reclamation in those two laws. Within 45 days of the President signing the Inflation Reduction Act into law we had a Request For Proposals for short-term voluntary conservation measures that we closed in December, and we signed one of the first ones already this month. And so as we are looking at this we are going through our operational process. We are maximizing the money that we have and getting it out the door as soon as we can including our anticipation of what we are calling Bucket 2, long-term sustainability projects for the Colorado River Basin as early as this spring to be able to get Requests For Proposals to start funding those.

So we know time is of the essence both for hydrology and the timing of the law, and we are committed to moving that funding expeditiously.

Ms. LEE. Are there any obstacles you face in getting these funds out? Is there anything we can do to help?

Ms. TOUTON. I think the challenges that we face are not unique to Reclamation. So, one of the first things that we were able to do is hire the hirers. As part of this we have been able to staff up 300 FTEs both in the implementation of the Bipartisan Infrastructure Law but also to help us with the Inflation Reduction Act. So we are moving forward with that using the flexibilities we can to push that money out where it is needed.

Ms. LEE. Okay. Great. Thank you. I yield.

Mr. FLEISCHMANN. Thank you, Ms. Lee. There appears to be no other—Ms. Kaptur, do you want to be recognized?

Ms. KAPTUR. I do.

Mr. FLEISCHMANN. Absolutely. I recognize the Ranking Member, Ms. Kaptur, for five minutes.

Ms. KAPTUR. Thank you, Mr. Chairman, very much. I truly appreciate that. I wanted to ask Commissioner Touton you heard the general speak about 10 percent of his workforce are individuals who are specialists in land planning, ecosystem planning, a preponderance of civil engineers project by project. In the way that the Bureau hires you deal with a vast region. You look at the world differently. I am wondering if you look at your staff what capabilities, professional capabilities, do you have? Do you have as many civil engineering percentagewise in your staff, or are there also a larger number of ecosystem specialists, and so forth? Could you comment on that?

Ms. TOUTON. Ranking Member, I would like to get you more specific details for the record on that as far as the structure of our workforce, but what we are looking at across the board as a workforce is we're 5,400 employees across 17 Western state projects. A third of our workforce are actually veterans, and a lot of that workforce is in our power plants and in our pumping facilities because that expertise they have from their service in the United States military actually aligns with our mission and what we need.

We have twice as many civil engineers than the national average as far as women civil engineers, but we will get you a detailed assessment of not just our engineers but our environmental planners, we have economists, biologists who enable able the work of Reclamation across the West.

Ms. KAPTUR. All right. That is very interesting to me. My sense and maybe I am wrong is that the Army Corps of Engineers is more project focused, and we need them to do that, that you have a broader region that you serve. Your scope is wider, and I am trying to get that into the Corps, trying to get those talents in there to meet the needs of the new day and thinking about how to do that.

I did want to ask you, Commissioner, your testimony states this sentence, "Each year on average reclamation generates about 40 million megawatt hours of electricity and collects over $1 billion in gross power revenues for the federal government." My question is what about net? Does the $1 billion in revenues—from the $1 billion in revenues, does the agency realize a "profit" on its balance sheet, or actually is it a net loss due to the offset of expenses that attend to that power production? Do you know?

Ms. TOUTON. So we can follow up with you on that for the record. The part of the challenge we have we are the second largest producer of hydropower, second to the Army Corps of Engineers, but with the hydrology and water as our fuel there has been an impact to our ability to generate. But as a whole we have been able to reliably generate and provide power to our water users. And we will get you the numbers on the net versus gross. A lot of that is marketed by the Western Area Power Administration as relates to the Colorado River Basin, so we will coordinate with them to get those numbers for you.

Ms. KAPTUR. All right. It has been very interesting over the years that over a billion dollars added to the Bureau's budget as direct appropriation. I'm just curious as to where that goes. Does it attend to power revenue loss, or does it attend to other work that the Bureau does?

My final question to General Spellmon is how is the Corps expanding its connections to other departments and agencies of our government as you attempt to meet the climate challenges of a new day? Are there interagency working groups project by project? Region by region? Do you work with NOAA? Do you work with other entities that might not naturally be in your scope? How do you work with other instrumentalities of our government and to be more effective in the work that you do?

General SPELLMON. Yes, ma'am. I would just say we work extensively with Department of Commerce, Department of the Interior and many, many others. We have been talking about today the

Great Lakes Coastal Resiliency Study. By design that is going to incorporate a lot of other of our federal and state partners just as we did with the North Atlantic study and certainly the South Atlantic Coastal Comprehensive Study. In short, yes.

Ms. KAPTUR. That particular study just as an example whether water short or had water excess in the country in different places I have still to find the agency that can produce the map that actually topographically shows us what is occurring on the surface and with aquifers, and so forth, underneath. We have talked about recharging of aquifers. I have not found the map across the federal government that teaches people in a given region what they can do to help.

It is amazing, and we have funded so many studies, so many—whether it is USGS I don't know where it is, but it is very hard to help mayors and county commissioners and county engineers and people who are trying to help when we have no regional mapping by watershed that helps us understand how we can mobilize people at the local level to be successful in meeting—rather, what we have is we have FEMA in the Great Lakes bailing out people whose homes are flooded because they live in a flood zone. They never should have had those homes there in the first place. This is the kind of thing that is going.

We are picking up the pieces. We are not really looking ahead pooling best information that we have across the government of the United States. Maybe NASA has something. I don't know. But I have been just amazed that it has been so hard. The focus is generally too narrow, and it is not across agency in order to provide people with the best information that we can possibly obtain on how they can be more helpful. And I think part of the problem the Bureau is that, you know, we are talking about capturing water that is being lost because we don't have systems in place.

Well, that shows a lack of rigor by the federal government as a whole in anticipating the future and thinking bigger than the 20th Century projects, thinking about earth science and blending those talents into the work that we do. At least that is my opinion. So we are glad where you are because you are capable of changing the trajectory as we move forward for the sake of the nation. Thank you very much, Mr. Chairman, for your patience in allowing me this time.

Mr. FLEISCHMANN. I wish to thank Ranking Member Kaptur for her questions. And as we conclude this hearing, Secretary Connor, General Spellmon, Commissioner Touton, I want to thank you for your responses today, for being present. Each and every one of you all have very arduous tasks. It is a very, very difficult job that you have got.

Our job as appropriators are to ask sometimes difficult questions, but I think you can tell in a very bipartisan almost nonpartisan way many times very constructive questions as we come together on this Energy and Water appropriations bill.

But my sincere thanks to each and every one of you all for your service to this nation.

Thank you very much. With that we are adjourned.

[Questions and answers submitted for the record follow:]

QUESTIONS FOR THE RECORD
SUBCOMMITTEE ON ENERGY AND WATER DEVELOPMENT
AND RELATED AGENCIES
U.S. HOUSE COMMITTEE ON APPROPRIATIONS

Hearing on Fiscal Year 2024 Budget Request for the U.S. Army Corps of Engineers (Civil Works)
Wednesday, March 29, 2023

Questions for the Corps

1. Cost Overruns in Supplemental Program

To: Assistant Secretary Connor and Lt. Gen. Spellmon

Background: The Subcommittee has become aware of significant cost growth for Corps projects across the country, particularly those projects receiving supplemental funding. Often, projects have received awards believed to be sufficient to complete those projects, only for costs to have increased by sometimes hundreds of millions or billions of dollars.

Question: Has the Corps put in place any new policies to mitigate risks associated with allocating supplemental funds to projects with outdated cost estimates?

Response: The U.S. Army Corps of Engineers (Corps) is putting into place updated requirements for the level of design and specificity for technical scoping conditions, as a project's scope and design greatly impact the estimated costs. The Corps also is developing clarifying guidance that will emphasize the importance of updating designs and scope to inform cost engineering products. Risk-informed analyses of key engineering data will help to reduce the risks associated with allocating supplemental funds to projects with outdated cost estimates.

Question: What controls does the Corps have in place to ensure funds allocated to projects from supplementals are sufficient to complete projects when such a requirement is in law?

Response: The Corps is focusing on quantifying and understanding controllable versus uncontrollable cost increases. The management of cost increases can involve all levels of the organization (District, Division, and Headquarters (HQ)). In some cases, Project Delivery Teams (PDTs) can update design elements to reduce the cost increase, where appropriate,

consistent with the scope of the project authorization. At the HQ-level, the Change Control Board (CCB) process brings together a multi-disciplined team of subject matter experts and Senior Leaders to review projects that are seeking approval for significant cost or schedule changes. The intent of this review is to challenge the Corps district office's assumptions and determine whether the proposed revised plan for executing the project meets the intent of the authorized project and will deliver the expected results in a cost effective and safe manner.

Some examples of factors that are outside the control of the Corps for previously-authorized projects include observed increases in magnitude and frequency of severe precipitation events, elevated surface water conditions due to sea level rise, or interior drainage problems at the project site. These circumstances can result in additional or changed design features, which can increase the project's cost. While the Corps Planning process has adapted to design future projects for such variables, previously authorized projects may not include such accommodations.

2. Monthly Damages Assessments and Execution Reports

To: Assistant Secretary Connor and Lt. Gen. Spellmon

Background: Congress has repeatedly directed the Administration to provide regular assessments of damages and supplemental execution reports, and the Administration has been deficient in providing this factual information as required by law. While the Subcommittee appreciates some of the backlog of these reports having been provided, significant progress is still necessary to meet the requirement.

Question: When will the Subcommittee next receive damages assessments and supplemental execution reports?

Response: The Corps has developed a process for collecting this information and submitting these reports in a timely manner.

Question: When can the Subcommittee expect to begin receiving these reports on a routine basis and at the required intervals?

Response: The Corps has developed a process for collecting this information and submitting these reports in a timely manner.

3. Harbor Maintenance Trust Fund

To: Lt. Gen. Spellmon

Question: Does the Corps believe it has an accurate inventory of all HMTF-eligible activities for which there is capability?

Response: The Corps' financial database is updated twice a year to identify capabilities for authorized HMTF-eligible activities. This database is used for the development of the budget, work plan, or supplemental spend plans. The HMTF-eligible activities evolve over time as new requirements are identified and capabilities adjusted.

Question: What steps is the Corps taking to ensure all HMTF-eligible work across the enterprise is accurately captured in enterprise-wide assessments of capability?

Response: Enterprise-wide capability drills are performed twice a year, where HMTF-eligible activities are input into the Corps' financial database along with all other capabilities across the portfolio. To ensure this assessment is accurate the Corps Civil Works Programs Integration Division:

(1) Provides guidance on the development of project capabilities in the Civil Works Directorate Annual Program Development Guidance.
(2) Communicates regularly with Division-level Program Directors to emphasize the importance of identifying eligible work in support of the annual appropriations process.
(3) Works within Divisions and Districts to develop quality work packages that are realistic and defensible.
(4) Works within Headquarters business line and account managers to review and validate information provided from the Divisions and Districts.

Ranking Member Kaptur

1. Beneficial Use of Dredged Material

To: LTG Scott Spellmon

Question: General Spellmon, I appreciate your establishing the goal of 70 percent beneficial use of dredged material by 2030. How will the dredged material management plans currently being prepared for the Lake Erie harbors embrace this goal and build beneficial use into base operations for those projects?

Response: Dredged Material Management Plans are being updated for the eight commercial harbors in Lake Erie that incorporate alternatives to beneficially use material from each harbor.

Congressman Calvert

1. Murrieta Creek Flood Control, Environmental Restoration and Recreation Project

To: Assistant Secretary Connor

Background: I appreciate the Corps of Engineers' support of the Murrieta Creek Flood Control, Environmental Restoration and Recreation Project (Project) for the last number of years. This flood protection project is absolutely critical to my communities to provide the protection of nearly 600 structures worth $1.35 billion. This Project will also provide protection for a five million gallon per day wastewater treatment plant serving over 40,000 residents and will reduce flood risk to provide the flood risk reduction to Marine Corps Base Camp Pendleton. The Project creates habitat for several federally endangered species and includes eight miles of continuous habitat corridor connecting the Santa Rosa Plateau Ecological Reserve and the Santa Margarita Ecological Reserve. Finally, the Project also creates an additional 160 acres of habitat within the Phase 3 Basin and provides over eight miles of continuous trails along the channel and over 40 acres of active park use within Phase 3 Basin.

For all of these reasons, but mostly for flood protection, we are anxious for the Corps to initiate and complete construction of Phase 2B, which is ready to proceed to advertising the award for construction in FY 2024. We are seeking $39,400,000 to move forward with this important construction work.

Question: Can you assure me that the Corps Headquarters and the Administration is supporting this request and this Project at the highest levels given the critical flood protection, not only for the communities but for the protection of Camp Pendleton, as well?

Response: This project will be considered for funding in future budget requests and work plans.

Background: As you know, the construction of Phase 2B will bring the flood protection for the area up from the existing 5-10-year level to approximately 50-year level, which will be a tremendous benefit to the communities, especially as we work to create a resilient project to withstand the devastating winter storms that have come through our area. Further, as we understand, the most efficient way to construct Phase 2B is to award this feature in one contract and we are supporting the Corps efforts to do that.

Question: Can you assure me that the Corps will do all in its power to support this request and get Phase 2B of this Project into efficient construction with this level of funding to protect our communities after so many years of working to complete this project?

Response: This project will be considered for funding in future budget requests and work plans.

Congressman Kilmer

1. Howard Hanson Dam

To: Assistant Secretary Michael L. Connor

The Infrastructure Investment and Jobs Act (IIJA) that Congress passed and President Biden signed into law means a lot for my home state, which barely passed the infrastructure report card with a "C" grade (Source). Thanks to the IIJA, we're starting to see the impact of federal investments in infrastructure projects that will have a real impact on the daily life of Washingtonians.

One of those projects is the Howard Hanson Dam. Located on the Green River, the Howard Hanson dam is the primary water source for the city of Tacoma in my district and also supports flood mitigation efforts in the region. Just last year, the U.S. Army Corps of Engineers announced a $220 million investment in fish passage facility efforts at Howard Hanson Dam, provided through IIJA funds. Additionally, following the passage of the 2022 Water Resources and Development Act, the U.S. Army Corps of Engineers was also authorized to begin formal planning for fish passage efforts. This was in addition to funding in the 2022 Omnibus for ongoing ecosystem restoration along the river.

Looking ahead, while considerable investments have been provided, I also recognize that there is a significant funding need in Fiscal Year 2025 – specifically to the amount of $570 million for contract solicitation, with $620 million total remaining funding needed.

Question: Assistant Secretary Connor, I would appreciate your thoughts on funding strategy for the Howard Hanson Dam to meet the Biological Opinion requirement of completion by the year 2030. Thank you for your time.

Response: The Corps is in preconstruction engineering and design phase of the Howard A. Hanson Dam (HAHD) fish passage facility project. This project will be considered for funding in future budget requests and work plans.

U.S. House Committee on Appropriations
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USBR's Response to Ranking Member Marcy Kaptur's Profit-Loss Question

The net balance of revenues vs. expenses derived from examination of Reclamation's water and power revenues varies greatly year to year. For example, in FY 2014, Reclamation collected $1.039 billion in total revenues, while expenses were $1.124 billion, resulting in a "net loss" of approximately $84 million. The very next year, Reclamation collected nearly $1.140 billion, while expenses only totaled $1.079 billion, resulting in a "net profit" of approximately $60 million.

There are many factors that influence these numbers, not least of which is represented by the hydrologic conditions in the year of execution. Favorable conditions may lead to higher collections, while obviously drought-prone years would have significant impacts. An additional note to highlight here would be timing as well, as revenues from benefits derived in September of one year may not be recorded until October of the following fiscal year, thereby creating fluctuations in the net totals of revenue vs expense.

In response to your question, no—the Bureau of Reclamation does not typically experience a "profit" from the collection of water and power-derived revenues. From FY 2014 through to the end of FY 2022, Reclamation has collected $10.213 billion, with expenses totaling $10.277 billion during that same timeframe.

Finally, Reclamation would like to take this opportunity to add a nuance to the Commissioner's testimony, which states that Reclamation annually collects "over $1 billion in gross power revenues." That should have simply read "gross revenues," as both water and power revenues are included in that total.

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Congressman Calvert

Background: As you are aware, the Sisk Dam on the San Luis Reservoir needs critical safety upgrades to address seismic risks. It is my understanding that Reclamation is only providing the Safety of Dams Act 85/15 cost-share split for these needed improvements to the federal contractors and is working on a separate agreement with the California Department of Water Resources to develop a similar cost-share solution.

Question: Please explain why Reclamation is not providing the 85/15 cost share split to all project beneficiaries—federal contractors and DWR—since this work is being done under the Safety of Dams Act? Additionally, please provide an update on the status of negotiations to develop a mutually agreeable payment alternative with the State of California. Ensuring all beneficiaries pay the same for dam safety improvements is the fiscally prudent and equitable approach to federal investments for our communities.

Response: The cost share for the seismic upgrades to B.F. Sisk Dam under the Safety of Dams Act is in accordance with both the Safety of Dams Act and the San Luis Act, the agreement between the Bureau of Reclamation and the State of California pursuant to when the project was constructed. B.F. Sisk Dam is a joint-use facility with the State of California. The State receives 55% of the storage for the State Water Project, which is not part of the Federal Central Valley Project. Reclamation and DWR have drafted a Contributed Funds Agreement (CFA) that identifies DWR's share as 55% or approximately $605,000,000. The CFA also allows DWR to receive credit for in-kind services or other considerations in lieu of cash payments to fulfill DWR's cost share responsibility. The agreement is under negotiations with the State of California and execution is expected in the next couple of months.

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Committee Question

Background: The Infrastructure Investment and Jobs Act provided Reclamation significant funding, and many programs have announced substantial funding to projects already. However, a number of programs have been slow to allocate funds.

Question: Please describe some of the challenges in executing funding for desalination, Carey Act dams, small surface water and groundwater storage, and large-scale water recycling projects?

Question: For which categories of funding, if any, has an insufficient number of identified eligible projects been a major factor in slow allocation of the funding available?

Response: Reclamation is grateful for the funding provided in IIJA, which is enabling the once-in-a-generation changes to the country's infrastructure that have been sorely needed for some time. Similar to other Federal agencies, we are challenged in that we must compete for the same resources – both human and material – as does the rest of the government. In spite of these challenges, Reclamation has been working diligently to allocate and then obligate funding in a timely manner. With the exception of the desalination program, the programs listed above are new and have required time to implement. In the current year, they are up and running—or will be very shortly. However, Reclamation has reached several milestones for each of the programs noted above. An update for each is shared below, with answers to each of the questions:

- Large-Scale Water Recycling (Section 40905) and Desalination Construction Projects:
    - Where the IIJA provided funding for well-established programs, a number of project sponsors at or near the construction phase applied for and have been identified for funding in a relatively short timeframe. For example, Reclamation was able to allocate over $300 million to 24 Title XVI water reclamation and reuse projects in 2022. For other categories of funding, such as Desalination Construction (which a new variant of the ongoing desalination program) and Large-Scale Water Recycling, more projects are in the planning and design phase. Reclamation will use available funding to assist entities as they develop those new projects and move closer to being eligible for construction funding.
    - To help expedite development of new projects, in December 2022, Reclamation released a funding opportunity to support planning and pre-construction activities for water recycling and desalination projects, including potential Large-Scale Water Recycling Projects. The announcement closed on February 28, and Reclamation is currently reviewing applications. We expect

to make selections for funding in September, thereby helping to increase the pool of applicants eligible to seek funding under the Desalination and Large-Scale Water Recycling programs.

- Carey Act Dams (Section 40904(b)):
  - There are no known major challenges concerning the Carey Act Dam funding at this time.
  - The State of Wyoming was approved for $5 million in FY 2023 to further their engineering design and achieve a level above 10% design.
- Small Surface Water and Ground Water Storage Program (Section 40903):
  - The Small Surface Water and Groundwater Storage Program (Small Storage Program) was newly authorized by the IIJA.
  - Reclamation released feasibility study guidance within 60 days of enactment of IIJA, as the law requires.
  - The first funding opportunity was posted on September 14, 2022, and the first awards made under the program, totaling $20 million to four projects in California and Utah, were announced on April 6, 2023. Funding made available under the awards will be obligated once all requirements of Federal law have been met (e.g., environmental compliance). Reclamation is working in close coordination with recipients at both the local and program level to execute financial assistance agreements.
  - The next funding opportunity will be released no later than fall, 2023.
  - Reclamation has received significant interest in the program and expects demand for funding to exceed the $100 million appropriated under IIJA.
  - The authority to carry out the Small Storage Program will terminate on November 15, 2026. This is the only authorization provided by IIJA that is time-limited.

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Committee Question

Question: The Subcommittee is aware that many communities are pursuing innovative approaches to groundwater management and sustainability. IIJA provided new authority for Reclamation to participate in aquifer recharge projects. What is the status of implementation of this program, and are any projects being studied?

Response: Reclamation's proposed FY 2024 Budget Request includes $5 million for the Aquifer Recharge Program authorized by Section 40910 of the Bipartisan Infrastructure Law. Section 40910, unlike the other sections specific to Reclamation, did not provide dedicated funding to implement the provision. If this funding is included in Reclamation FY 2024 appropriation, Reclamation would implement in a manner consistent with the appropriations language and program objectives. As a new program, the Aquifer Recharge program will be developed once funding is received; this is the same process as that which Reclamation applied with each of the new programs Congress authorized under the Bipartisan Infrastructure Law.

In addition to establishing the Aquifer Recharge Program, Reclamation currently funds several programs that could provide financial assistance to aquifer recharge projects through existing competitive processes, including, but not limited to, the Small Storage Program and WaterSMART Drought Resiliency Projects grants.