

May 2, 2001

MEMORANDUM TO: Chairman Meserve
Commissioner Dicus
Commissioner Diaz
Commissioner McGaffigan
Commissioner Merrifield

FROM: Dennis K. Rathbun, Director **/s/ RA**
Office of Congressional Affairs

SUBJECT: HOUSE ENERGY AND WATER APPROPRIATIONS SUBCOMMITTEE
HEARING ON DOE FY 2002 BUDGET WITH SECRETARY ABRAHAM

On May 2, 2001, the House Appropriations Committee's Subcommittee on Energy and Water Development held a hearing to discuss the Department of Energy's (DOE) FY 2002 budget request. DOE Secretary Spencer Abraham was the sole witness. A copy of the Secretary's complete statement is attached.

After a brief introduction by Subcommittee Chairman Sonny Callahan (R-AL), Secretary Abraham outlined his request noting that this is DOE's preliminary plan pending release of the report of Vice President Cheney's National Energy Policy Development Group and completion of other reviews being conducted within the Administration. He said the President's policy priorities for DOE are to strengthen security at the national labs, preserve domestic uranium capacity, and continue to work toward a high-level waste repository. The DOE budget request is for \$19.2 billion which is a 2.3% reduction from the FY 2001 appropriation. The budget request does not anticipate funding for the California energy problem. He did, however, assure California Subcommittee members that "the President does not hate California" as reported recently in several California papers. Chairman Callahan called DOE's request, "The right budget at the right time."

The Secretary fielded a number of questions ranging from security and nonproliferation to renewable energy sources and development of next generation automobiles. He pointed out that DOE is moving fast on the MOX fuel fabrication plant at Savannah River and is requesting \$63 million. With regard to Yucca Mountain, he said he would move expeditiously but with a careful review. Mr. Abraham said that despite the waste disposal problem, nuclear power is again a promising energy source due to improvements in safety, concentration of ownership of plants, and because the licensing process makes it more feasible.

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Secretary Abraham informed the Subcommittee that DOE management is beginning to take shape with eight people having been designated for senior positions including five who have been nominated and are awaiting a hearing in the Senate. The eight are the Deputy and Under Secretaries, four Assistant Secretaries, the Chief Financial Officer, and the General Counsel.

Attachment:
As stated

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