FOIA Number: 2017-1093-F

FOIA
MARKER

This is not a textual record. This is used as an administrative marker by the William J. Clinton Presidential Library Staff.

Collection/Record Group:	Clinton Presidential Records
Subgroup/Office of Origin:	Office of Environmental Initiatives
Series/Staff Member:	Roger Ballentine
Subseries:	

OA/ID Number:	19508
FolderID:	

Folder Title:
Climate Change Budget/Finance FY1999 Appropriations [2]

Stack:	Row:	Section:	Shelf:	Position:
S	61	7	1	1

THE WHITE HOUSE
WASHINGTON

OFFICE OF THE ASSISTANT TO THE PRESIDENT FOR SPECIAL PROJECTS

Fax Transmittal Sheet

To: Roger, Julie, Lisa

Fax Number: 6-6468, 6-2604 **Telephone Number:**

From: **TODD STERN** **JONATHAN ADASHEK**

Subject:

Date:

Number of Pages (including cover sheet):

Message:

(If all pages are not received, please call (202) 456-2702.)

the Clinton-Gore Administration will be able to convince other countries, including developing nations, to agree to participate in an unrestricted, global emissions trading system that they now firmly oppose, and that the system will work as efficiently as the New York Stock Exchange. She also neglects to recognize the Department of Energy's own conclusion that it will require "luck" to reach energy efficiency goals in the transportation sector that will be necessary to meet the Kyoto targets.

In contrast, at our April 23, 1998 hearing, WEFA, Inc. economist, Dr. Mary Novak, testified that the Kyoto target for the U.S. could not be met without significant increases in energy prices. Dr. Novak predicted that the Protocol would result in a loss in GDP of 3.2 percent, or $300 billion. In addition, the U.S. would lose 2.4 million jobs. Gasoline prices would rise 65 cents per gallon and industrial gas and electricity prices would double. This translates into an increase of about $2,700 more annually per household for energy and other products.

The real question before us is whether this Administration intends to rely just on "luck" or whether it will analyze thoroughly the risks that the U.S. would face if the Kyoto Protocol is implemented. This hearing will examine what it would mean for the auto and trucking industries and workers if the Clinton-Gore Administration proceeds with the signing of this treaty.

First, let me say that on one thing there is definite agreement by all -- business, labor, Congress, and general public: we should use the best information available to make decisions on global warming policies.

Therefore, it is amazing that the White House has been unwilling to disclose to Congress information and analyses to justify the President's request for a huge increase in funding (+$6.3 billion) for its climate change agenda and to support fully its policy positions about this major initiative. In the tradition of former Chairman John Dingell, we asked a lot of questions and requested the Administration to share with us a lot of key documents. But, unlike prior Republican Presidents' responses to Chairman Dingell, the Clinton-Gore Administration has stonewalled our efforts, and Chairman Burton has so far issued three subpoenas to obtain key documents. As the chart shows, the White House continues to delay production, even in response to subpoenas. To see additional key documents, we may be forced to issue subpoenas to other EOP agencies, such as the Council on Economic Advisors, and other executive branch agencies.

What are President Bill Clinton and Vice President Al Gore hiding and why? The Administration's stonewalling is simply incredible, unprecedented, and just plain unacceptable.

At today's heating, we will hear from labor and business that the Kyoto Protocol spells "All Pain and No Gain." By imposing onerous requirements on the U.S. and exempting such so-called developing countries like South Korea, it is clear that the Protocol is essentially an economic agreement, not an environmental one, that will allow unrestricted developing countries to grow at great expense to the U.S. economy, its industries, and its workers. This is certainly a novel approach to foreign aid.

This treaty will also stand in the way of technological progress. Far from the Administration's rosy predictions, deployment of new technology through the joint government/industry Partnership for a New Generation of Vehicles (PNGV) is not going to meet the U.S. Kyoto targets and timetable. In fact, the Kyoto Protocol will divert limited resources from the development of such superior technology into short- term fixes that will have significantly less environmental benefits.We have to make sure that the Administration does not jump the gun on Congress and implement the Kyoto Protocol through the back-door. While Under Secretary of State Eizenstat has repeatedly disavowed any

Roger, John, Lisa

We need a strategy on beating this back. Need June 13 "broader" memo w/ hours spent etc & need cultivate defenders on Hill, Todd

MEMORANDUM

TO:

FROM:

RE: Climate Change Appropriations Status

DATE: July 12, 1998

The FY99 portion of the Climate Change Technology Initiative is contained primarily in three appropriations bills: Energy and Water, Interior, and VA-HUD. Below is the status of the climate change budget request and our current strategic thinking with respect to each of these bills. Generally, the focus is on restoring funds cut from the Administration's budget requests in the Energy and Water and Interior bills and deleting or modifying problematic bill and report language in the VA-HUD bill.

I. ENERGY AND WATER

A. Status

House:

·**The bill was passed by the House on Monday, June 22.** The bill cuts the total increase (about $100M) requested in the Administration's budget for the solar and renewable energy portfolio.

· No report language issues.

Senate:

·**The Senate passed the bill on Thursday, June 18.** The bill also cut the total increase (about $100M) requested for renewable energy. However, Senators Jeffords and Roth offered an amendment -- that was accepted by voice vote -- to restore $70M to the renewables portfolio. Chairman Domenici stated that he would try, but would not guarantee, that this money would actually stay in the bill through conference.

·No report language issues.

B. Strategy

Work with conferees to ensure that the $70M (of the $100M increase requested for renewables) is retained.

II. INTERIOR

A. Status

House:

·**Full Committee reported the bill on Thursday, June 25. Floor action expected as early as Wednesday, July 15.** The Committee cut the total increase (about $193M) requested for DOE's energy efficiency portfolio and the bill could be read to include an additional $25M cut in this portfolio.

·The bill contains report language that states "No funds are to be used to implement the Kyoto agreement on global warming/climate change." No report language issues.

Senate:

·**Full Committee reported the bill on Thursday, June 25. Floor action could begin at any time.** The Committee cut the increase requested for DOE's energy efficiency portfolio by about $160M (about a $30M increase from FY98 levels).

·The Committee also included report language that "None of the funds provided in this bill are to be used to implement actions called for solely under the Kyoto Protocol, prior to its ratification." The report further states that the Committee supports longstanding energy research programs and does not intend to preclude these programs from proceeding but that the Administration must do a better job of explaining the components and goals of these programs. Senator Byrd was instrumental in negotiating this language. No report language issues.

B. Strategy

House: Working on a floor amendment to restore some of the funding cut in Committee. Representatives Skaggs (D-CO) and Fox (R-PA) are the sponsors of an amendment that would restore $70M to DOE's energy efficiency program. However, only a portion of this funding (about $45M) is for climate change programs. OMB is currently working with the sponsors to identify offsets.

Senate: No floor amendments planned. The strategy is to focus on getting some funding restored in the House bill because of the extreme cuts in that bill.

Conference: Even if the House floor amendment is successful, the climate change portion of both bills is still approximately $160M below the President's budget request. Restoring some of this funding needs to be one of the top priorities of the Administration as negotiations on this bill proceed this fall.

III. VA-HUD-INDEPENDENT AGENCIES

A. Status

House:

·**Full Committee reported the bill on Thursday, June 25. Floor action is scheduled for Wednesday, July 15.** The Committee cut the increase requested for EPA's climate change programs by about $106M (a $10M increase from FY98 levels).

·The bill contains language prohibiting funding to "develop, propose, or issue rules, regulations, decrees or orders for the purpose of implementation of or in contemplation of implementation of" the Kyoto Protocol. The Committee also included report language instructing EPA and CEQ to "refrain from conducing educational outreach or informational seminars on policies underlying the Protocol prior to its ratification." Representative Fazio (D-CA) offered an amendment at Committee to delete this report language and modify the bill language. The amendment failed 27-18.

Senate:

·**Full Committee reported the bill the week of June 8. Floor action began on July 6, but was not completed**. The bill cuts the increase requested by about $91M (a $25M increase from FY98 levels).

·The Committee included report language that states "none of the funds provided to EPA are to be used to support activities related to implementation of the Kyoto protocol prior to its ratification." The report also includes language directing the Agency to provide a detailed plan by 12/31/98 of the effectiveness of the proposal in facilitating compliance with binding greenhouse gas emission reduction commitments.

B. Strategy

House: Current thinking is to not pursue a floor amendment that would strike or modify the offending bill language. Rather, we plan to work with both House and Senate Members to ensure that the Senate position prevails in conference (no bill language and better report language). This strategy will require that we maintain our veto-level opposition to the bill and report language as the bill moves to conference. In addition, some Members (primarily Democrats, but may include Republicans) are pursuing offering a floor amendment that would add language to the bill that exempts any program, initiative or communication concerning the environment that is authorized by law from any of the limitations in the bill. This is an attempt to address both the bill and the report language. Whether this succeeds or fails (with a respectable margin), it may help provide additional leverage at conference for having the Senate position prevail.

Senate: No amendments being pursued. Senators Chafee, Byrd and Bond are working on colloquies that will narrow the scope of the report language. Specifically, the colloquies would enure that the report was not meant to preclude or terminate ongoing climate change activities nor call for new requirements related to climate change under the Government Performance and Results Act. Furthermore, we are working with Byrd's staff to pursue a colloquy in which Bond would commit to working to have the Senate report language prevail in conference.

FAX TRANSMISSION

U.S. ENVIRONMENTAL PROTECTION AGENCY

OFFICE OF THE ADMINISTRATOR

401 M STREET SW
WASHINGTON, DC 20460
202-260-4724
FAX: 202-260-4852

To:	See distribution list	**Date:**	July 15, 1998
Fax #:	See distribution list	**Pages:**	5, including this cover sheet.
From:	William N. White		
Subject:	Waxman response		

COMMENTS:

Please find attached a copy of a letter from Carol Browner to Henry Waxman regardiner the possibility of an amendment to the VA-HUD appropriations bill. This letter has also been sent to OMB through the usual clearance process. We hope to send this today, so please provide give me your comments as soon as possible at 260-3711 or 260-4852 via fax.

Distribution:

Linda Lance	CEQ	456-6546
Todd Stern	White House	456-2215
Martha Foley	White House	456-2271
Roger Ballantine	White House	456-6468
Julie Anderson	White House	395-2342
Bob Dames	OMB	395-7289

Washington, DC 20515-0529
(202) 225-3976

District Office:
8436 West 3d Street
Suite 600
Los Angeles, CA 90048-4183
(213) 651-1040

Ranking Member
Committee on Government
Reform and Oversight

Member
Committee on Commerce
Democratic Steering Committee

Congress of the United States
House of Representatives
Washington, DC 20515–0529
HENRY A. WAXMAN
29TH DISTRICT, CALIFORNIA

July 12, 1998

Via facsimile 260-3384
The Honorable Carol M. Browner
Administrator
Environmental Protection Agency
401 M Street, S.W.
Mail Code 1101
Washington, DC 20460

Dear Administrator Browner:

I am writing to request your views on H.R. 4194, the VA-HUD Appropriations bill, and an amendment I am considering offering to that bill on the floor.

As in years past, the VA-HUD Appropriations bill contains objectionable language in both the bill and the report which would hinder our efforts to protect the environment under existing successful programs. Specifically, there is language which would prevent the Administration from developing proposals to curb-- or even educate the public about-- the dangers of global warming, defund our energy efficiency programs, prevent the cleanup of PCB contaminated sediments, restrict the use of Brownfields funds, stall implementation of the Food Quality Protection Act, and block the cleanup of dangerous mercury air pollution.

In order to prevent a rollback of our important and popular environmental programs, I am considering offering an amendment which would exempt activities currently authorized by law from all of these limitations.

H.R. 4194 is expected to be considered on the House floor on Wednesday July 12, 1998, so I would greatly appreciate receiving your thoughts on this bill and my amendment before then. Thank you for your assistance with this critically important issue.

Sincerely,

Henry A. Waxman
MEMBER OF CONGRESS

[illegible]

-DRAFT-

The Honorable Henry A. Waxman
Member of Congress
29th District, California
U.S. House of Representatives
2204 Rayburn House Office Building
Washington, DC 20515

Dear Congressman Waxman:

Thank you for your letter of July 12 expressing your concerns over rider and report language in the VA-HUD appropriations bill, H.R. 4194. We share your concerns that this language would seriously hinder our ability to protect public health and the environment. Perhaps most problematic is the report and rider language restricting our ability to address - or even discuss - the very serious threat of global warming.

I understand that some in Congress are concerned that the Agency might implement the Kyoto Protocol prior to its ratification. Let me repeat, as I have already stated on numerous occasions, that EPA has not and will not implement the Kyoto Protocol prior to its ratification by the Senate.

The report language, however, goes far beyond restricting implementation of the Kyoto Protocol, it directs EPA to *'refrain from conducting educational outreach or informational seminars on policies underlying the Kyoto Protocol'*. If passed, this could impose an unprecedented 'gag order' on the Agency on the subject of global warming, and could stifle any informed public debate on the subject.

In addition, the rider language on Kyoto is so broad and subjective that it might be used to bring about a "back door" repeal of Clean Air Act authorities that have been in place since as long ago as 1970. The rider language could block the Agency from taking common sense actions under existing law to protect the health and welfare of the American people from air pollutants that cause global warming.

-DRAFT-

The current bill and report also contain language that could delay, restrict or prevent implementation of other critical laws that were created to protect public health and clean up the environment. I am particularly concerned about:

limitations on the Agency's ability to dredge PCBs without years of additional study;

slowing community efforts to economically re-develop brownfields by prohibiting EPA from funding cleanups or providing technical assistance, research grants, and job training grants;

stalling public health protections, especially for children, under the Food Quality Potection Act by imposing burdensome and unnecessary rulemaking procedures; and

prohibiting EPA from addressing mercury emissions without additional study, despite abundant scientific evidence linking exposure to mercury to serious neurological and developmental problems in humans.

Finally, as you are also aware, the Administration is already on record with several concerns about funding levels in this bill.

Given the serious implications of the report and rider language, I would be very supportive of any amendment that would prevent this language from rolling back Agency authority and stifling our ability to communicate with the public.

Sincerely,

Carol M. Browner
Administrator

JAMES M. TALENT, MISSOURI
CHAIRMAN

NYDIA M. VELÁZQUEZ, NEW YORK

Congress of the United States
House of Representatives
105th Congress
Committee on Small Business
2361 Rayburn House Office Building
Washington, DC 20515-6315

To Julie
Anderson
from George
Randels —

FINALLY!

Witness List

Oversight Hearing on the Kyoto Protocol: The Undermining of American Prosperity? Part 2: The Science

Monday, July 27, 1998
1:00 PM
2360 Rayburn House Office Building

Dr. Patrick J. Michaels
Senior Fellow in Environmental Studies
Cato Institute
Washington, DC

Dr. S. Fred Singer
President
Science & Environmental Policy Project
Fairfax, VA

Dr. Robert T. Watson
Chairman
Intergovernmental Panel on
Climate Change
Washington, DC

Dr. John R. Christy
Associate Professor of
Atmospheric Science
University of Alabama at Huntsville
Huntsville, AL

Dr. Marlo Lewis, Jr.
Vice President for Policy and Coalitions
Competitive Enterprise Institute
Washington, DC

Dr. Daniel A. Lashof
Senior Scientist
Natural Resources Defense Council
Washington, DC

T J. Glauthier
07/22/98 10:45:22 PM

Record Type: Record

To: Randolph J. Steer/OMB/EOP

cc: See the distribution list at the bottom of this message
Subject: Re: skaggs-fox passes on second try

let us know if there really is some restriction on the PODRA funds that makes this amendment inoperative. Even if there is such a prior statutory restriction, wouldn't a new law trump that?

As to the details, my understanding from Regula's staff a couple of hours before the vote was that our conservation and efficiency programs would indeed get $45 million (or half of the total), split $11 m to weatherization and state grants, and $34 m to the efficiency programs (without any specificity as to how much goes to buildings, transport, or industrial programs). That is more than we expected for the efficiency programs, which are the ones that figure prominently in our Climate Change Technology Initiative, so it works well for us overall.

Now, on to the Senate.................

Message Copied To:

wesley p. warren/ceq/eop
martha foley/who/eop
roger s. ballentine/who/eop
lisa m. kountoupes/who/eop
elizabeth gore/omb/eop
todd stern/who/eop
julie m. anderson/whcctf/eop
david b sandalow/ceq/eop
t j. glauthier/omb/eop
kathleen a. mcginty/ceq/eop
elliot j. diringer/ceq/eop
judy jablow/ceq/eop
gary l. bennethum/omb/eop
kathleen peroff/omb/eop

SUPPORT THE GREENWOOD AMENDMENT

The FY99 VA-HUD appropriations bill contains an anti-environment rider that states no funds can be used to "develop, propose or issue rules, regulations, decrees, or orders for the purpose of implementation of, or in contemplation of implementation, of" the Kyoto Protocol.

- This broadly worded provision goes well beyond ensuring that agencies do not engage in backdoor implementation of the Kyoto Protocol. It would block EPA from taking common sense actions under existing law to protect the health and welfare of the American people from air pollutants that cause global warming

- The Greenwood amendment prevents the issuance of federal regulations designed **solely** to implement the Kyoto Protocol while ensuring that authority to protect public health and the environment under existing law is not rolled back.

Without the Greenwood amendment the bill would:

• Prevent EPA from considering greenhouse gas emissions during rulemaking, even though such consideration was authorized by law and even though such emissions may pose a threat to the public health or welfare.

> **Example:** EPA issued a rule under the Clean Air Act to cut landfill emissions of methane (a potent greenhouse gas) by half, the equivalent of eliminating the greenhouse gas emissions from 20 million cars -- while recovering enough usable fuel to meet the energy needs of 2 million homes.

• Stop agencies from working on executive orders to improve the federal government's own use and procurement of energy.

• Restrict the Administration from the drafting rules or regulations that must accompany the Kyoto Protocol to the Senate for advice and consent.

• Prevent agencies from collecting climate-related information to potentially improve our anticipation of and response to weather related disasters.

With the Greenwood amendment the bill would:

• Prevent EPA from issuing regulations solely for the purpose of implementing the Kyoto Protocol.

• Permit planning, contemplation, research or debate of common sense efforts related to green house gas emissions, provided such activities are authorized by law.

• Prevent the roll back of existing authority to protect public health and welfare.

General Provisions

REP. MORELLA, R-Md., will offer an amendment (#6) to permit federal agencies to use their salary and expense accounts to help federal employees pay for child care. Under the amendment, each agency would determine whether or not to use its existing funds for this purpose. (Staff Contact: Kathryn Pearson, 225-5341)

REP. HEFLEY, R-Colo., will offer an amendment (#10) to prohibit the use of funds in the bill to implement, administer or enforce President Clinton's May 28, 1998 Executive Order which prohibits employment discrimination based on sexual orientation in the federal civilian work force. (Staff Contact: Leigh Mora, 225-4422)

REP. NORTHUP, R-Ky., may offer an amendment to correct language in the bill to reaffirm that the Postal Service has the authority to set noncompetitive international postal rates. (Staff Contact: Juliane Carter, 225-5401)

REP. SAXTON, R-N.J., may offer an amendment that clarifies that federal courts have jurisdiction over civil cases in which a foreign state in a party and the property of the foreign state is involved. (Staff Contact: Rick Fein, 225-4765)

Amendments to HR 4194

The Rules Committee has recommended an open rule which waives points of order for legislating in an appropriations bill and for unauthorized appropriations — except for provisions that would increase FHA loan limits and that would require the Consumer Product Safety Commission (CPSC) to restore fire retardant standards for children's sleepwear (which, because they are not protected, will be subject to a point of order).

The recommended rule also specifically makes in order for floor consideration a public housing reform amendment (see below), and it automatically incorporates into the bill upon adoption of the rule several provisions — including those which shorten from three years to 15 months the bill's pilot project under which FEMA must study the effectiveness of smoke detectors in reducing fire-related deaths; that require the CPSC to contract with the National Institute of Environmental Health Sciences to conduct a study of the toxicity of flame retardant chemicals that may be used to treat upholstered furniture; and that establish a series of steps that must be taken before the CPSC may issue flammability standards for upholstered furniture.

Title I — Veterans Programs

REP. GUTIERREZ, D-Ill., may offer an amendment which extends through Dec. 31, 2002, the VA's sexual trauma counseling and treatment program, and which expands eligibility under the program to persons currently or formerly in state National Guard units or the military reserves. The program is currently scheduled to expire at the end of 1998. (Staff Contact: Mark Fine, 225-8203)

REP. TIAHRT, R-Kan., will offer an amendment (#7 or #8) to earmark $12.5 million (#7) or $25 million (#8) of the funds provided for VA medical and prosthetic research for medical research relating to Gulf War illnesses. (Staff Contact: Jeff Kahrs, 225-6216)

Title II — HUD

REP. LEACH, R-Iowa, will offer an amendment (#12), as made in order by the recommended rule, which comprises the text of HR 2, Public Housing Reform, as passed the House on May 14, 1997, by a vote of 293 to 132. Among other things, it consolidates federal funding for public housing and low-income rental assistance into block grants; deregulates local housing authorities, and gives them wide latitude to use federal funds for locally-tailored housing programs; requires HUD to take over or replace the management of housing authorities that are chronically troubled; eliminates federal priority standards for admission to public and assisted housing, and allows local authorities to establish their own priorities for such admission; reserves a smaller portion of public and assisted housing for very low-income families so local authorities can provide housing to a greater number of working families with somewhat higher incomes; and requires unemployed, able-bodied, adult residents of public and assisted housing to contribute at least eight hours of volunteer community-service work each month. Unlike HR 2, these reforms would not become effective until the beginning of FY 2000. Debate time: 40 minutes. (Staff Contact: Housing Subcommittee Majority Staff, 225-6634)

REP. JACKSON LEE, D-Texas, will offer an amendment (#14) to increase by $183 million (to $283 million, the level requested by the administration) the funds provided new Section 8 housing vouchers for families making the transition from welfare to work (thereby increasing from 17,600 to 50,000 the number of vouchers funded by the bill). The amendment offsets this increase by cutting public housing capital assistance by an equal amount. (Staff Contact: Diego Alvarez, 225-3816)

REP. ROUKEMA, R-N.J., will offer an amendment (#16) which allows Section 8 moderate rehabilitation contracts to be renewed at the lower of either current rent, or the HUD fair market rent. Under current law, such contracts must be renewed at a "base rent" which covers only the operating expenses of a project, but not its debt services. The amendment is intended to encourage building owners to renew those contracts, and thereby keep moderate rehab projects in the low-income housing inventory. (Staff Contact: Cindy Chetti, 225-4465)

REPS. STOKES, D-Ohio, and KENNEDY, D-Mass., will offer an amendment to increase by $97 million (to $197 million) the funds provided for new Section 8 housing vouchers for families making the transition from welfare to work (thereby increasing from 17,600 to 34,800 the number of vouchers funded by the bill). The amendment offsets this increase by eliminating the $97 million provided by the bill for modifications to existing Section 8 contracts (which amendment sponsors say are not expected to be needed for FY 1999). (Staff Contacts: Appropriations Committee minority staff, 225-3481, and Scott Olson, 225-5111).

REP. VENTO, D-Minn., may offer an amendment (#9) which requires owners of low-income housing projects who plan to pre-pay their federally-insured mortgages and remove their units from the available stock of subsidized low-income housing, to provide at least one year's notice of their intention to do so. Such notices would have to be provided both to state and local government officials, as well as to each resident of the affected housing. (Staff Contact: Kirsten Johnson-Obey, 225-6631)

Title III — Independent Agencies

EPA

REP. ALLEN, D-Maine, may offer an amendment to clarify that bill and committee report language restricting various EPA activities do <u>not</u> apply to EPA regulatory determinations for mercury emissions from utilities (the committee report directs EPA to wait until certain joint actions with other agencies are completed before EPA issues rules limiting mercury emissions from utilities). (Staff Contact: Stella Livanios, 225-6116)

REP. BEREUTER, R-Neb., will offer an amendment (#1) to cut by $15 million amounts provided by the bill for operations and activities of the Office of the Administrator of EPA. (Staff Contact: Alan Feyerherm, 225-4806)

REP. BEREUTER, R-Neb., will offer an amendment (#2) to prohibit the use of EPA funds to further implement or enforce regulations regarding acceptable levels of copper in drinking water and the treatment of such drinking water — until EPA and the Centers for Disease Control and Prevention conduct a joint study on the health effects of copper in drinking water, and until EPA issues new regulations on allowable copper levels that are based on this joint study and on two similar studies conducted in Nebraska and Delaware. (Staff Contact: Alan Feyerherm, 225-4806)

REP. BEREUTER, R-Neb., will offer an amendment (#3) to prohibit the use of EPA funds to develop or implement regulations which would require public water systems that rely on ground water to use disinfection. (Staff Contact: Alan Feyerherm, 225-4806)

REP. ENGEL, D-N.Y., will offer an amendment expressing the sense of Congress that public water systems supplied by surface water sources that are required to use water filtration to meet federal drinking water standards should be allowed to apply to EPA to use alternative means of meeting drinking water standards, rather than filtration. (Staff Contact: Oliver Kellman, 225-2464)

REP. GREENWOOD, R-Pa., will offer an amendment (#13) to clarify that the bill's provisions restricting EPA activities involving the Kyoto climate change treaty would not prevent EPA from taking any actions currently authorized by law. (The bill prohibits EPA from developing rules or orders for the implementation or "contemplation of implementation" of the Kyoto Protocol). (Staff Contact: Judy Borger, 225-4276)

REPS. STOKES, D-Ohio, and DeGETTE, D-Colo. will offer an amendment to strike provisions of the bill that earmark $75 million of Superfund funding for "Brownfields" and allows the use of those funds only for site assessments and the development of cleanup programs, but not for actual cleanup activities. The amendment is intended to remove those restrictions, and enable EPA to use the full $91 million it requested for Brownfields cleanup activities. (Staff Contacts: Del Davis, 225-3481, and Nick Karamanos, 225-4431)

REP. WAXMAN, D-Calif., will offer an amendment to clarify that certain bill provisions and committee report language restricting various EPA and Council on Environmental Quality (CEQ) actions do <u>not</u> apply "where such activities are authorized by law." Specifically, such restrictions would <u>not</u> apply to:

- The development of rules, regulations, decrees or orders <u>prior</u> to proposal or issuance, or the conduct of educational outreach or informational seminars (the bill prohibits EPA from developing rules or orders for the implementation or "contemplation of implementation" of the Kyoto Protocol, and the committee report directs EPA and the CEQ to "refrain from conducting educational outreach or informational seminars on policies underlying the Kyoto Protocol");

- The use of "Brownfields" funds (the bill allows funding to be used only for site assessments and the development of cleanup plans — but not for actual cleanup activities);

- Regulatory determinations for mercury emissions from utilities (the committee report directs EPA to wait until certain joint actions with other agencies are completed before EPA issues rules limiting mercury emissions from utilities);

- Utilizing dredging as a remedial tool (the committee report directs EPA to delay actions that would allow dredging to be used as a remedial tool for removing contaminated sediments that contain PCBs in certain waters, until a study "has been completed and distributed and analyzed by all interested parties, including Congress");

- Implementation of the Food Quality Protection Act (the committee report directs EPA to provide for public notice-and-comment when developing its pesticide residue risk assessment policies, to devote additional resources to increase the pace of registration actions and emergency exemptions, and to minimize the resources needed to review and issue emergency exemptions);

- Implementation of the Regional Haze Program (the committee report "strongly recommends" that EPA fund only the activities of up to eight multi-state visibility transport commissions, none of which have been established, but which under the committee report would be encouraged to complete their work by March 1, 1999); or

- Cleanup requirements for facilities licensed by the Nuclear Regulatory Commission (the committee report directs EPA to "continue its long-standing policy" of not applying cleanup requirements for NRC-licensed facilities, and to "spend no funds to enforce cleanup requirements at sites being remediated under regulatory requirements enforced through the NRC licensing procedure.") (Staff Contact: Greg Dotson, 225-3976)

FEMA

REP. VENTO, D-Minn., will offer an amendment (#10 or #11) to increase by $30 million (to $130 million) the bill's funding for FEMA's Emergency Food and Shelter Program. (The amendment is intended to restore the program's funding to its 1995 pre-rescission level.) The amendment would offset this increase either by cutting funding for NASA Human Space Flight by $43.5 million (#10), or by cutting funding for NSF research by $107.4 million (#11). Staff Contact: Kirsten Johnson-Obey, 225-6631)

NASA

REPS. ROEMER, D-Ind., and CAMP, R-Mich., will offer an amendment (#5) to cut NASA funding by $1.6 BILLION and terminate the international space station. Specifically, the amendment cuts by $1.6 BILLION the bill's appropriation for NASA Human Space Flight, thereby reducing funding for that account to $3.7 BILLION, which would leave $500 million for space station termination costs (the measure includes a total of $2.1 BILLION for the space station). (Staff Contacts: Pete Spiro, 225-3915, and Jasper Thomson, 225-3561)

NSF

REP. SANFORD, R-S.C., will offer an amendment (#6 or #17) to cut the bill's appropriation for National Science Foundation (NSF) research and related activities to $2.5 BILLION — the FY 1998 funding level. (Staff Contact: Scott English, 225-3176)

Other Amendments

REP. RIGGS, R-Calif., will offer an amendment (#15) to prohibit funds in the bill from being distributed to any locality which requires that private companies and organizations contracting with (or receiving grants from) the locality provide health care benefits to the unmarried, domestic partners of company or organization employees. (Staff Contact: Mark Davis, 225-3311)

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

July 15, 1998
(House Rules)

STATEMENT OF ADMINISTRATION POLICY

(THIS STATEMENT HAS BEEN COORDINATED BY OMB WITH THE CONCERNED AGENCIES.)

H.R. 4194 DEPARTMENTS OF VETERANS AFFAIRS AND HOUSING AND URBAN DEVELOPMENT, AND INDEPENDENT AGENCIES APPROPRIATIONS BILL, FY 1999

(Sponsors: Livingston (R), Louisiana; Lewis (R), California)

This Statement of Administration Policy provides the Administration's views on H.R. 4194, the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Bill, FY 1999, as reported by the House Appropriations Committee. Your consideration of the Administration's views would be appreciated.

The Administration appreciates efforts by the Committee to accommodate certain of the President's priorities within the 302(b) allocation. However, the allocation is simply insufficient to make the necessary investments in programs funded by this bill. As a result, critical programs are not funded or are underfunded, in particular, key Presidential priorities such as funding for National Service, Superfund, and climate change. Furthermore, the Administration is very concerned that the Committee has included problematic language regarding the Kyoto Protocol and other issues. Finally, the Administration understands that an amendment may be offered to include unacceptable provisions now contained in H.R. 2, such as income targeting. If the bill were presented to the President without responding to these concerns, the President's senior advisers would recommend that he veto the bill.

The only way to achieve the appropriate investment level is to offset discretionary spending by using savings in other areas. The President's FY 1999 Budget proposes levels of discretionary spending for FY 1999 that conform to the Bipartisan Budget Agreement by making savings in mandatory and other programs available to help finance this spending. In the Transportation Equity Act, Congress -- on a broad, bipartisan basis -- took similar action in approving funding for surface transportation programs paid for with mandatory offsets. We want to work with the Congress on mutually agreeable mandatory and other offsets that could be used to increase high-priority discretionary programs, including those funded by this bill.

Below is a discussion of our specific concerns with the Committee bill. We look forward to working with the House to resolve these concerns as the bill moves forward.

Corporation for National and Community Service

The Administration strongly objects to the termination of the Corporation for National and Community Service, one of the Administration's top priorities. Eliminating funding for the

7-13-98

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF SCIENCE AND TECHNOLOGY POLICY
WASHINGTON, D.C. 20502

'98 JUL 10 PM3:56

July 10, 1998

cc: ROGER
KOUNTOURES
JACOBY
FOLEY

Stern

cc: PODESTA
MARIA

MEMORANDUM FOR THE PRESIDENT

FROM: KERRI-ANN JONES K.A.Jones.

CC: ERSKINE BOWLES

SUBJECT: OSTP WEEKLY REPORT

Lam

PROGRESS ON OSTP NOMINEES

The Senate Committee on Commerce, Science, and Transportation voted July 9 to approve your two nominees for OSTP positions: Neal Lane, for Director; and Rosina Bierbaum, for Associate Director for Environment. We hope for a quick vote by the full Senate.

SENATOR WYDEN SEEKS MORE SUPPORT FOR CARBON SEQUESTRATION

Try to work out w/ him

Neal Lane and Rosina Bierbaum met with Senator Ron Wyden (D-OR) on Wednesday in a pre-confirmation vote discussion of your Climate Change Technology Initiative. The Senator is combining his interest in the environment with the enormous forest resources native to his home state. The Senator has written you two letters on the topic of carbon sequestration, the latest co-signed by 12 Senators. In the July 8 discussions, Lane and Bierbaum pointed out how biomass technology development, ongoing work in forest management, and research on carbon sequestration in the U.S. Global Change Research Program are relevant to his concerns. In all, your FY99 budget would provide a $50 million increase in these areas. The Administration has previously responded to the Senator that forest sequestration and related technology pilot projects should be conducted. The Senator suggested that he would help such an effort by helping to bridge the gap between the environmental community and industry.

EL NIÑO THREATENS TO INCREASE INCIDENCE OF HANTAVIRUS

Heavy rainfall and a mild winter associated with El Niño have drastically increased vegetation in the South West, which has allowed rodent populations to flourish, including that of the hantavirus carrier: the deer mouse. Deer mice populations are up as much as 20 fold in some places, and researchers are predicting an associated increase in hantavirus incidence. A recent Centers for Disease Control and Prevention (CDC) report detailed the well established link between El Niño conditions and increasing mice population, and just last Thursday (June 26) the *New York Times* reported an apparent increase in hantavirus cases. *USA Today* followed with a three-day special on the same topic, profiling the 1993 outbreak (which occurred for similar reasons after the 1991-92 El Niño). So far this Summer hantavirus -- a newly emergent hemorragic fever -- has claimed three victims, and several other non-fatal cases have occurred.

Climate Change Appropriations Status - June 29

language

1. ENERGY AND WATER

House: **The bill was passed by the House on Monday, June 22.** The bill cuts the total increase (about $100M) requested in the Administration's budget for the solar and renewable energy portfolio. During floor consideration, Reps. Fazio, Cook and McDade expressed their support for R&D funding for renewables (Cook is primarily interested in geothermal). [Report language attached]

very good

Senate: **The Senate passed the Energy and Water bill on Thursday, June 18.** Senators Jeffords and Roth offered an amendment that was accepted to restore $70M to the renewables portfolio. Chairman Domenici stated that he would try but would not guarantee that this money would actually stay in the bill through conference. [Report language attached]

very good

2. INTERIOR

House: **Full Committee reported the bill on Thursday, June 25.** The committee cut the total increase (about $193M) requested for DOE's energy efficiency portfolio and the bill could be read to include an additional $25M cut in this portfolio. Reps. Fazio and Yates planned to state at the committee meeting that they would like to work with the Chairman to find additional funds for the energy efficiency portfolio and to reserve their right to offer an amendment on the floor. The bill contains report language that states "No funds are to be used to implement the Kyoto agreement on global warming/climate change." [Report language attached]

ok ~~good~~

Senate: **The Full Committee reported the bill on Thursday, June 25.** The Committee cut the increase requested for DOE's energy efficiency portfolio by about $160M (about a $30M increase from FY98 levels). The committee also included report language that "None of the funds provided in this bill are to be used to implement actions called for solely under the Kyoto Protocol, prior to its ratification." The report further states that the Committee supported longstanding energy research programs and does not intend to preclude these programs from proceeding but that the Administration must do a better job of explaining the components and goals of these programs. [Report language attached]

good

3. VA-HUD-INDEPENDENT AGENCIES

House: **Full Committee reported the bill on Thursday, June 25.** EPA's requested climate change increase was cut by about $106M (a $10M increase from FY98 levels). In addition, Knollenberg added language in the bill prohibiting funding to develop, propose,

very bad

or issue rules, regulations, decrees or orders for the purpose of implementation of or in contemplation of implementation of the Kyoto Protocol. The Subcommittee also included report language instructing EPA and CEQ to refrain from conducing educational outreach or informational seminars on policies underlying the Protocol prior to its ratification. [Bill and report language attached]

Senate: **The Senate Full Committee reported out the VA-HUD bill the week of June 8. Floor action expected to begin on July 6**. The Senate bill cut the increase requested by about $91M (a $25M increase from FY98 levels). The bill also includes report language that states "none of the funds provided to EPA are to be used to support activities related to implementation of the Kyoto protocol prior to its ratification." The report also includes language directing the Agency to provide a detailed plan by 12/31/98 of the effectiveness of the proposal in facilitating compliance with binding greenhouse gas emission reduction commitments. [Report language attached]

bad

4. Treasury-Postal (markup Friday 7/10)

House Energy + Water Comm. Report

ENERGY SUPPLY

Appropriation, 1998	$906,807,000
Budget Estimate, 1999	1,129,042,000
Recommended, 1999	882,834,000
Comparison:	
Appropriation, 1998	−23,973,000
Budget Estimate, 1999	−246,208,000

The Energy Supply account includes the following programs: solar and renewables; nuclear energy; fusion; environment, safety and health; and energy support activities. In prior years, the Committee recommended significant reductions to programs in this account, with reductions to solar and fusion programs of about 30%. This year, the Committee recommendation is generally supportive of the level of funding provided in the current fiscal year.

The Committee has been actively working to improve the scope and management of the Department's research and development programs. Before it can be determined whether more funding is needed for existing programs, there are basic questions about the purpose and value of these activities. These questions include: the balance of basic research versus development; the prioritization of technologies; the wisdom of awarding non-competitive grants and contracts to the same groups of beneficiaries year after year; the ability (and desire) to actually track and collect the thousands of research and development "deliverables"; the inability to spend funds appropriated in prior years; and the very basic question of the applicability of some of these activities to the lives of American taxpayers.

The Committee notes that the Department has acknowledged that improvements must be made. Secretary Peña, in response to hearing questions this year, criticized Departmental procedures that "often provided inadequate competition for grant awards and inadequate requirements for peer review." The Secretary also cited "inadequacies" as detailed by a recent report of the Department's Inspector General (IG). The IG surveyed five of nineteen procurement offices and cited the Department's failure to collect the actual work product of 718 grants with a total value of $232,000,000.

In its report to the President in November 1997, the President's Committee of Advisors on Science and Technology (PCAST) reported that: "In the course of this study, the Panel observed a number of problems in DOE management of R&D, including: "stovepiping" of programs and a frequent lack of effective coordination, micromanagement of R&D programs, burdensome oversight; limited technical skills among a significant number of DOE staff, resulting in misdirection of some R&D programs; and sometimes a lack of clear leadership . . . These are not new observations; the SEAB Alternative Futures and SEAB Strategic Energy R&D studies reported similar findings. As far as the Panel has been able to tell, however, DOE actions in response to the findings and recommendations of these past Task Forces have been insufficient and major deficiencies remain."

The Secretary of Energy, Inspector General, Government Accounting Office, and Assistant Secretary all agree with the President's Committee of Advisors on Science and Technology. Reforms are needed. The way to reform a program is not to increase spending by 30% to 100 %. Having identified many of the problems, the next step is to follow through with improved management.

Last year, and again this year, the Committee included statutory language to improve contracting practices and prohibit lobbying with Federal funds. The Committee is continuing to examine programs and identify deficiencies. The Committee looks forward to working with the new management team to reduce the current emphasis on the preparation and justification of future year budgets and increase the emphasis on current year management. There is widespread agreement that there is greater value that can be gained from the current level of spending, which is substantial. There may never be agreement on what amount of spending is appropriate, but there should be no disagreement on the need to get better value for the dollars being spent by the Department.

With regard to the Administration's request to increase spending for programs it identifies as part of the Climate Change Technology Initiative, the Committee questions the premise of the Administration's argument for more spending. The Committee believes that the $272,200,000 in fiscal year 1998 funds identified by the Administration is an arbitrary amount considering the programs not included. Why not include the $44,304,000 the Office of Energy has budgeted for solar and renewable energy research? Why wouldn't the $8,200,000 provided for the National Institute for Global and Environmental Change be counted in the effort to study global and environmental change?

In short, the Committee believes that the tens of billions of dollars spent on renewable energy, nuclear energy, fusion energy, and the Federal workforce needed to manage these programs, has been a significant amount of funding. The hundreds of millions recommended by the Committee last year and in this bill again this year represent a serious and significant level of funding. Rather than suggesting this funding is insufficient by proposing unrealistic and dramatic increases, the Committee observes that American taxpayers are supporting a level of effort for these technologies unrivalled by any other nation.

The Committee continues to be concerned about the abnormally high level of uncosted balances in programs under this appropriation. These balances represent an unreasonable accumulation of funds appropriated in prior fiscal years.

SOLAR AND RENEWABLE ENERGY

The Committee recommendation for solar and renewable research and development is $351,405,000, an increase of $5,139,000 over the amount provided in the current fiscal year. The Committee continues to be concerned that, over the years, the Department has placed a higher priority on providing funds to commercialize technologies that are not yet ready to fully compete in the marketplace. These efforts have come at the expense of a more proper role for government: fostering peer-reviewed research which could lead to cutting-edge discoveries in plant research, chemical and materials sciences, and other areas fundamental to development of these technologies. Last year, the Committee combined the solar and renewable energy-related research performed by the Office of Energy Research with the research and development activities performed by the Office of Energy Efficiency and Renewable Energy. The Committee directed the Department to submit a comprehensive research and development request for fiscal year 1999, representing a new partnership between the two Offices. The Committee is pleased that the Department has worked to coordinate the efforts of these two Offices that have each justified their budgets based on common goals. The Committee further encourages program managers in both Offices to explore the opportunities for more relevant research and better directed development of these technologies.

Million Solar Roofs.—In June of last year, in an address to the United Nations, President Clinton announced the Million Solar Roofs Initiative. The Committee was concerned about the cost of one million solar roofs and the initiation of a program not funded by Congress. These concerns were confirmed in a DOE press release announcing the award of $5,000,000 to selected business ventures to install 1,000 solar systems. Assuming the Department's estimates are accurate, at this rate, each roof system will cost an average of $32,000, of which taxpayers will pay $5,000. To install one million roof systems by 2010 would require thirty-two billion dollars, of which five billion dollars would be taxpayer-funded.

The Committee can neither contemplate the source of this massive funding requirement nor the justification for taking taxpayer funds and selecting business ventures and rooftops to equip with these solar systems. As no funding has been provided for this program, the Committee urges the Department to use lower-case letters when touting the goal of outfitting one million solar roofs. The Committee has not rejected the goal of this program. The Committee observes that the attainment of this goal relies primarily on the affordability of these systems for consumers rather than the ability of the government to force these systems onto one million rooftops.

Following are specific recommendations for programs:

Solar building technology research.—The Committee recommendation of $2,200,000 does not include funding for the Solar Rating and Certification Corporation "to remove restrictions to the use of solar energy in communities" as requested in the budget justification.

Photovoltaic energy systems.—The Committee continues to strongly support the goals of this program. The Committee recommendation provides $69,683,000, including $2,883,000, the same amount as the budget request, for related research funded through the Office of Energy Research. The recommendation includes full support for basic research and thin-film partnerships. The recommendation does not include an increase over the current fiscal year for PV Building Opportunities activities.

The Committee encourages the Department to fully consider the qualifications of Arizona State University when evaluating institutions participating in the photovoltaic energy systems development research program.

Solar thermal energy systems.—The Committee recommendation of $17,100,000 includes a total of $1,000,000 for activities directly or indirectly related to Solar Two. The Department is directed to prepare a plan to complete this project in fiscal year 2000 which includes all termination costs. The recommendation does not include funding for systems and markets/industrial assistance activities.

Biomass/biofuels energy systems.—The total Committee recommendation is $100,799,000, including $27,199,000, the same amount as the budget request, for related research funded through the Office of Energy Research. The recommendation includes $31,100,000 for power systems, of which $17,700,000 is provided for rural development, $3,000,000 is provided for co-firing biomass with coal, and $1,000,000 is provided for demonstration of black liquor gasification. No increase is provided for modular systems development. The recommendation includes $42,500,000 for transportation, of which $5,000,000 is included for the Gridley rice straw project. The recommendation includes increases for research and development of advanced fermentation organisms, advanced cellulases, and pretreatment of feedstocks. The recommendation also includes $2,500,000 for the Plant Biotechnology Consortium to be funded from the $27,199,000 provided for the Office of Energy Research. The $4,600,000 for feedstock development and $2,500,000 for regional biomass is to be equally derived from the power systems and transportation programs.

Wind energy systems.—The total Committee recommendation is $33,483,000, including $283,000, the same amount as the budget request, for related research funded through the Office of Energy Research. The recommendation includes a minimum of $1,700,000, the amount requested, for certification and standards activities. The Committee has been assured that the certification program will be in place in fiscal year 1999. The Committee welcomes the attainment of one of the goals of the wind energy program.

Renewable energy production incentive.—The Committee recommendation includes $5,000,000, a $1,000,000 increase over the amount requested.

International solar energy.—The Committee recommendation includes $500,000 exclusively for the U.S. Initiative on Joint Implementation. No funds provided in this or any prior Act are to be made available for the America's 21st Century or CORECT programs.

National Renewable Energy Laboratory (NREL).—The Committee recommendation includes $2,000,000, of which $1,000,000, the amount requested, is provided for infrastructure and general purpose equipment. The remaining $1,000,000 is to be made available following submission of a program plan by the winner of the competition for the management and operating contract.

Geothermal.—The Committee recommendation of $27,500,000 includes $6,500,000 for the geothermal heat pump deployment program. The Committee continues to be concerned about the Department's reluctance to provide adequate funding to meet its commitment to this partnership.

Hydrogen.—The total Committee recommendation is $18,006,000, including $3,008,000, the same amount as the budget request, for related research funded through the Office of Energy Research. The recommendation includes $3,000,000 for core research and development.

Hydropower.—The Committee recommendation includes $2,000,000 for cost-shared research and development of "fishfriendly" turbines, an increase of $1,250,000 over the amount provided last year.

Electric energy systems and storage.—The recommendation includes $34,000,000 for high-temperature superconductivity, an increase of $2,000,000 over the budget request. The Committee fully supports the efforts to demonstrate truly first-of-a-kind high-temperature superconducting technologies. The recommendation also includes $4,000,000 for energy storage systems, an increase of $50,000 over the current fiscal year. The Committee strongly supports the goals of this program. Superconducting transmission lines, motors and storage devices have the potential to greatly enhance the viability of renewable energy resources in the near term. The recommendation does not include funding for the climate challenge program.

The Committee has been made aware that the Department has fallen behind schedule on its commitment to the Superconductivity Partnership Initiative. The Committee provided the full amount of the budget request last year and is not aware of any failure of the industry partner to fulfill its commitment to the initiative. Unless the Department has identified a problem with its partner, the Department is directed to finalize contracts under the Superconductivity Partnership Initiative on schedule to ensure that this important research is not delayed.

Transmission reliability.—The Committee is concerned that the transition to a deregulated, competitive electricity market not be accompanied by a decrease in transmission system reliability, and urges the Department to coordinate and integrate research and technology development to address critical concerns related to the reliability of the emerging electricity market.

Federal buildings initiative.—The Committee recommendation includes $5,000,000 to be awarded for installation of renewable power sources for Federal facilities. All proposals must include a cost benefit analysis. The Department may only approve proposals that have verifiable, favorable cost benefits over a period of not more than ten years. Cost benefits shall be based exclusively on actual monetary costs and savings.

Program direction.—The Committee recommendation for program direction is $15,600,000, approximately the same as the amount provided in the current fiscal year. The Office of Energy Efficiency and Renewable Energy continues to lead the Department in the ratio of salaries and expenses to program dollars. The recommendation for program direction includes all funding for support service contractors and Assistant Secretary/cross-cutting activities.

The Committee is aware that restructuring of the electricity industry is related to implementation of certain technologies funded under this account. The Committee will work with the Department to outline a more clearly defined electricity restructuring program.

NUCLEAR ENERGY PROGRAMS

The Committee recommendation is $227,769,000, a decrease of $15,291,000 from the current fiscal year. Unless otherwise specified, the Committee has accepted reductions identified in the budget request and denied funding increases identified in the budget justification.

Advanced radioisotope power systems.—The recommendation includes $35,000,000, a $5,500,000 reduction from the amount provided in the current fiscal year. The Committee continues to be concerned about the lack of interest the Department has shown in streamlining management, reducing the infrastructure, and reducing the extensive level of support service contractors in this program. The Department is directed to prepare a plan to streamline and reduce costs for this program. The plan is to be included with the fiscal year 2000 budget request.

Test reactor area landlord.—The recommendation includes $6,101,000, a net reduction of $1,324 from the current fiscal year, considering the $2,000,000 reduction in the amount requested for construction as proposed in the budget request.

University reactor fuel assistance and support.—The recommendation includes $12,000,000, an increase of $5,000,000 over the current fiscal year. The recommendation includes $5,000,000 for the peer-reviewed Nuclear Engineering Education Research grant program (NEER), $1,000,000 for the university graduate fellowship program, and $1,000,000 for the industry-matching program. The recommendation also provides support to the university nuclear engineering community with full funding for the reactor fuel, sharing, and instrumentation programs.

Nuclear energy research initiative.—The recommendation includes $5,000,000 as the first year of funding for this research program, a reduction of $19,000,000 from the budget request. The Committee supports this program, which would award grants to laboratories, universities and consortiums using a formal peer-review process. Possible research topics include: nuclear safety and risk analysis, proliferation-resistant reactor and fuel technologies and new technologies for nuclear wastes.

Termination costs.—The recommendation is $81,150,000, a $4,115,000 increase over the current fiscal year. The recommendation includes $45,000,000 for electrometallurgical-related activities including $20,000,000 for the nuclear technology research and development program to continue study of treating spent fuel using electrometallurgical technology and $25,000,000 to demonstrate electrometallurgical technology at the Fuel Conditioning Facility. The budget request of $31,200,000 to maintain the Fast Flux Test Facility (FFTF) has been included in the non-defense environmental management account.

The Committee is concerned that the schedule for the shutdown activities at the Experimental Breeder Reactor II (EBR-II) at the Argonne National Laboratory-West site in Idaho continues to slip. The Office of Nuclear Energy is directed to submit to the Committee a validated baseline project schedule by December 31, 1998. The baseline should include the cost, schedule, and major milestones for each activity by fiscal year, the total cost, and the Department's confidence level that this schedule is accurate and can be executed. The report should also include an analysis of any weak points in the schedule and the technical issues which must be resolved to maintain the project cost and schedule. The program should work with the Committee during development of this report to ensure that sufficient detail is being provided.

URANIUM ENRICHMENT DECONTAMINATION AND DECOMMISSIONING FUND

Appropriation, 1998	$220,200,000
Budget Estimate, 1999	277,000,000
Recommended, 1999	225,000,000
Comparison:	
Appropriation, 1998	4,800,000
Budget Estimate, 1999	-52,000,000

The Uranium Enrichment Decontamination and Decommissioning (D&D) Fund supports D&D, remedial actions, waste management, and surveillance and maintenance associated with preexisting conditions at sites leased and operated by the United States Enrichment Corporation (USEC), as well as Department of Energy facilities at these and other uranium enrichment sites. The sites covered by this D&D Fund include the operating uranium enrichment facilities at Portsmouth, Ohio, and Paducah, Kentucky, and the inactive K-25 site in Tennessee, formerly called the Oak Ridge Gaseous Diffusion Plant. Environmental restoration efforts at these three sites are supported from the D&D Fund established by a tax on domestic utilities and by Congressional appropriations. In fiscal year 1999, the Department of Energy will transfer $398,088,000 into this Fund.

The Committee recommends $225,000,000, a reduction of $52,000,000 from the budget request of $277,000,000. Due to severe budget constraints, the Committee was unable to provide the budget request for this program, but the recommendation is an increase of $4,800,000 over fiscal year 1998. The Committee understands that this will limit funding for activities related to immediate cleanup of the gaseous diffusion plants. The Committee encourages the Department to review all costs included in the UED&D program and seek to minimize those of lesser priority. The Committee continues to believe there are many efficiencies to be made in all areas of the environmental management program.

The Committee recommendation includes $30,000,000, a reduction of $5,000,000 from the budget request of $35,000,000, to implement the reimbursement program authorized under Title X, subtitle A of the Energy Policy Act for active uranium and thorium processing sites which sold uranium and thorium to the United States Government. This program is to assist site owners by compensating them on a per ton basis for the restoration and disposal costs of those mill tailings resulting from sale of materials to the government.

SCIENCE

Appropriation, 1998	$2,235,708,000
Budget Estimate, 1999	2,482,460,000
Recommended, 1999	2,399,500,000
Comparison:	
Appropriation, 1998	163,792,000
Budget Estimate, 1999	-82,960,000

The Science account includes the following programs: high energy and nuclear physics; biological and environmental research; basic energy sciences; computational and technology research and other research-related programs. The Committee continues its very strong support for these basic science programs. While the Committee has eliminated many Department of Energy programs and substantially reduced funding for others, the Committee has provided generous increases for physics programs and other basic research activities funded under this account.

The Committee has taken extraordinary steps to provide the increases included in this recommendation. This year, the Committee was forced to reduce net funding for domestic programs by over four hundred million dollars. In addition, the Committee had to identify an additional $27,400,000 that was available last year from unobligated balances for termination of the superconducting super collider and not available this year. Nevertheless, the Committee continues its strong support for basic research and development activities funded in this account.

CLIMATE CHANGE TECHNOLOGY INITIATIVE

The Committee has strongly supported the fundamental science pursued by the Department. The value and credibility of the Department's science program is dependent upon responsible leadership that would ensure that research is properly peer-reviewed and wholly independent from the policy positions of any Administration. While it is critical that science inform policy, it is equally critical that policy not direct scientific conclusions.

In the area of climate-related research, the Committee is concerned that this independence is being compromised. The Committee is disturbed that the Department has been publishing "reports" and "papers" and "assessments" that are heavy on conclusions and recommendations and light on new data and sound logic. Examples of these policy-driven testimonials include: *Scenarios of U.S. Carbon Reductions: Potential Impacts of Energy-Efficient and Low-Carbon Technologies by 2010 and Beyond* (September 1997); *Carbon Management: Assessment of Fundamental Research Needs* (August 1997); *and Technology Opportunities to Reduce U.S. Greenhouse Gas Emissions* (October 1997).

The Office of Energy Research has requested [redacted] for the Climate Change Technology Initiative (CCTI). Since much of the work done to date has been half-science and half-policy, the Committee reduction reduces the requested amount by one-half, or $12,500,000. No funding has been provided for the Office of Energy Research to publish policy-related materials. Full funding has been provided for the underlying science needed to better understand the complexities of the changes in the Earth's climate.

HIGH ENERGY PHYSICS

High energy physics research seeks to understand the nature of matter and energy at the most fundamental level, as well as the basic forces which govern all processes in nature. The recommendation continues the Committee's strong support for these fundamental pursuits.

The recommendation is $698,500,000, a $16,465,000 increase over the amount provided in the current fiscal year and a $5,500,000 increase over the amount of the budget request. The recommendation includes a $8,000,000 increase over the budget re-

Sen E + W
Comm. Report

TITLE III—DEPARTMENT OF ENERGY

Title III provides for the Department of Energy's defense and nondefense functions, the power marketing administrations, and the Federal Energy Regulatory Commission.

In the Fiscal Year 1998 Energy and Water Development Appropriations Act, the Congress reorganized the Department of Energy's nondefense energy and science research programs to delineate the two areas of research. For fiscal year 1999, the Committee recommends two adjustments to the structure enacted last year. First, the magnetic fusion energy program is moved from energy research to science. Second, the Committee proposes a general provision to rename the Office of Energy Research; which, contrary to the implications of its name, does not manage the Department's energy research but rather its science programs, to the Office of Science Research. Consequently, the title of the Office's director becomes the Director of Science Research.

INAPPROPRIATE USE OF APPROPRIATIONS

The Committee has learned that funds made available to the Department of Energy by previous appropriations acts have been used to, among other things: pay for members of industry associations and associated entities to attend national and international conferences, publish magazines, purchase association membership information, conduct surveys of association membership, place op-ed style articles in publications, write talking points in support of the Department's programs, and underwrite industry conferences.

The Committee has not included a statutory prohibition on these activities because the activities themselves are not at issue; there may be legitimate reasons for employees of the Department of Energy or its management and operating contractors to undertake the activities listed above. However, a distinction needs to be drawn between employees of the Department of Energy or its management and operating contractors who act on behalf of the Government and other contractors whose predominant responsibility is not to the Government. The Department and its management and operating contractors should not contract with any other entity for the performance of these or similar responsibilities, and, as a general rule, appropriated funds should not be used, directly or indirectly, to underwrite the expenses of industry associations or associated entities.

ENERGY SUPPLY PROGRAMS

Appropriations, 1998	$906,307,000
Budget estimate, 1999	1,129,042,000
Committee recommendation	599,326,000

Sen. E+W

SOLAR AND RENEWABLE ENERGY

Appropriations, 1998	$346,266,000
Budget estimate, 1999	437,156,000
Committee recommendation	345,479,000

This is the first Energy and Water Development Appropriations Act considered by the Committee following the signing of the Kyoto Global Climate Change Accord.

The Committee is reluctant and unable to draw conclusions regarding the existence, extent, or affects of global climate change. However, in the face of uncertainty regarding global climate change and the human health effects of atmospheric pollution, prudence merits consideration be given to energy production technologies that reduce the emission of pollutants that accumulate in the atmosphere.

In that regard, the Committee considers the administration's use of base-year metrics, that is: the recommendation that the United States reduce its emissions of certain pollutants to 1990 levels, to be an inappropriate metric. The Committee recommends that the accumulation of pollutants in the atmosphere be considered in terms of their historical concentrations; not their annual production rates since it is the concentration levels not the rate of accumulation which are alleged to have global climate change implications. When considered in those terms, the commitments made in Kyoto will have a negligible effect on the concentration of CO_2 and other pollutants in the atmosphere. If prudence merits the development of new energy production technologies, it also requires a recognition that existing technology does not provide a means to meet increasing global energy requirements while stabilizing the production of atmospheric pollutants and certainly does not provide a means to reduce atmospheric pollution concentrations.

The Committee has modified the request for low emission energy technologies; including solar and renewable and nuclear, with the view toward post 2010 application of new technologies. As a result, with few exceptions, the Committee recommends basic research that will provide significant improvements over existing technologies rather than on the deployment or incremental improvement of commercial or near commercial technologies. The Committee is well aware of the proposition that appropriated funds can demonstrate the reliable operation of low emission technologies before they become commercially attractive. In a few cases, the Committee has provided funds for just such demonstrations. However, in general, the Committee expects non-Federal financing to support the final stages of product development and all stages of market development.

Solar building technology research.—The Committee recommends $3,600,000 for solar building technology research. For space conditioning and water heating, the Committee provides $100,000 instead of the requested $500,000 and directs that the funds provided be used to improve computer models that predict the reliability of solar systems made of new materials. The Committee recommendation does not provide funds for precompetitive field validation.

Photovoltaic energy systems.—The Committee recommends $57,110,000 for photovoltaic energy systems which includes

Restrict

House Interior Report

DOE [illegible] ENERGY

General Plant Projects.—The Committee recommends $2,600,000, the budget request for general plant projects.

Mining.—The Committee recommends $5,000,000, the budget request, for the mining/advanced metallurgical processes program.

The Committee agrees to the following:

1. Within the funds provided for direct liquefaction, the Department should make every effort to work with the major contractor on the distribution of these funds.

2. Existing fuel cell contracts should be downselected in fiscal year 1999 from 3 to 2 contractors.

3. The increase of $2,000,000 in the fuel cell program for multilayer ceramic technology is contingent on its being used to work with McDermott Technology, Inc. on the development of this technology; provided the company provides matching funds.

4. The Committee expects the Department to issue a single solicitation covering all three classes in the oil technology/recovery field demonstrations program and to require a minimum cost share of 65%.

5. The Committee expects the Department to address the House Science Committee's recommendation with respect to peer-reviewed, cost-shared research in the fiscal year 2000 budget request.

6. The Committee is informed of industry development of a low-cost, energy-efficient prototype which applies well-established ram-jet technology from the aerospace industry to electric power generation. The Committee is advised that this energy source is expected to burn a wide variety of fuels (including coal mine methane and landfill gases) and promises to do so with greater efficiency and with substantially lower levels of harmful emissions than competing power systems. The compact, simple design of the prototype also promises to be less expensive to build and operate than other forms of power generation. The Committee encourages the Department to continue its dialogue with industry on the development of this prototype which is scheduled to be completed and tested prior to fiscal year 1999.

7. The turbine program funding is consolidated in Energy Conservation but Fossil Energy should continue to manage its portions of the program.

8. The Committee strongly encourages continued coordination with States and industry to ensure research is meaningful and not duplicative. Further direction [illegible] working with the States is included under Administrative Provisions, Department of Energy.

9. No funds are to be used to implement the Kyoto agreement on global warming/climate change.

ALTERNATIVE FUELS PRODUCTION

(INCLUDING TRANSFER OF FUNDS)

Appropriation enacted, 1998	−$1,500,000
Budget estimate, 1999	−1,300,000
Recommended, 1999	−1,300,000
Comparison:	
Appropriation, 1998	+200,000
Budget estimate, 1999	0

The Committee recommends the deposit of investment income earned as of October 1, 1998, on principal amounts in a trust fund

established as part of the sale
Plant in Beulah, ND, into this a
the funds to the General Fund of
able as of October 1, 1998, is estir

NAVAL PETROLEUM AN

Appropriation enacted, 1998 ....
Budget estimate, 1999 ....
Recommended, 1999 ....
Comparison:
Appropriation, 1998 ....
Budget estimate, 1999 ....

The amounts recommended by
budget estimates by activity are

Oil Reserves
Naval petroleum reserves Nos. 1 & 2..........
Naval petroleum reserve No. 3..........
Program direction (headquarters)..........
Naval oil shale reserves..........

Total, Naval Petroleum and Oil Shale Reserves

The Committee recommends $
naval petroleum and oil shale
below the budget request and
1998 level. The large decrease
flects the operational savings ac
Hills Naval Petroleum Reserve
quest will be offset through the
ances under the Committee's re
recommended bill language wh
thority to use unobligated balar
for the operation of the Naval

The Department should notify
prior year balances for NPR o
should the use of those balance
justified in the budget request a

ENERGY C

The energy conservation pro
funds cooperative research and
taining economic growth throug
ties financed through this pro
existing technologies as well as
ultimately will displace some
fuels.

Appropriation enacted, 1998 ....
Budget estimate, 1999 ....
Recommended, 1999 ....
Comparison:
Appropriation, 1998 ....
Budget estimate, 1999 ....

ENERGY CONSERVATION

ments. This notification should include details by project, budget subactivity and activity; should explain why the funds are available in each instance; and should note, in each instance, the participating contractors, National laboratories or other cooperators. To the maximum extent possible, these funds should be recovered from projects that have been completed, terminated or downsized.

28. No funds are to be used to implement the Kyoto agreement on global warming/climate change.

ECONOMIC REGULATION

The economic regulation account funds the independent Office of Hearings and Appeals which is responsible for all of the Department's adjudication processes except those that are the responsibility of the Federal Energy Regulatory Commission. The amount funded by this Committee is for those activities specific to this bill: mainly those related to petroleum overcharge cases. All other activities are funded on a reimbursable basis from the other elements of the Department of Energy. Prior to fiscal year 1997, this account also funded the Economic Regulatory Administration.

Appropriation enacted, 1998	$2,725,000
Budget estimate, 1999	1,801,000
Recommended, 1999	1,801,000
Comparison:	
Appropriation, 1998	−924,000
Budget estimate, 1999	0

The Committee recommends $1,801,000 for economic regulation, equal to the budget request and a decrease of $924,000 below the fiscal year 1998 level.

STRATEGIC PETROLEUM RESERVE

Appropriation enacted, 1998	$207,500,000
Budget estimate, 1999	160,120,000
Recommended, 1999	160,120,000
Comparison:	
Appropriation, 1998	−47,380,000
Budget estimate, 1999	0

The Committee recommends $160,120,000 for operation of the Strategic Petroleum Reserve which is equal to the budget request and a decrease of $47,380,000 below the fiscal year 1998 level.

ENERGY INFORMATION ADMINISTRATION

The Energy Information Administration is a quasi-independent agency within the Department of Energy established to provide timely, objective, and accurate energy-related information to the Congress, executive branch, State governments, industry, and the public. The information and analysis prepared by the EIA is widely disseminated and the agency is recognized as an unbiased source of energy information by government organizations, industry, professional statistical organizations and the public.

Appropriation enacted, 1998	$66,800,000
Budget estimate, 1999	70,500,000
Recommended, 1999	68,000,000
Comparison:	
Appropriation, 1998	+1,200,000
Budget estimate, 1999	−2,500,000

The Committee recommends $68,0
tion Administration, a decrease of $
quest and $1,200,000 above the fisc
recommended by the Committee incl
sions accounting and $2,140,000 for

The Committee understands th
been changed to 382 in 1998, 375
Committee urges the Department
eration to personnel actions to en
FTE utilization levels. The Commi
trition rates and the lag time requi
above target levels to allow for th
delays.

ELK HILLS SCHOO

Appropriation enacted, 1998	
Budget estimate, 1999	
Recommended, 1999	
Comparison:	
Appropriation, 1998	
Budget estimate, 1999	

The Committee has not recomm
school lands fund. The Defense A
House of Representatives, include
ment of this California school lan
proceeds of the sale of the Elk H
account has been established in t
should the aforementioned provi
fense Authorization Act, paymen
subject to appropriations.

ADMINISTRATIVE PROVISIO

Bill language is recommended
partment of Energy, continuing
ment's authority to receive rei
agencies and to use those funds
savings contracts through the
gram.

The Committee expects the D
plement its MOUs with the Stat
to report to the Committee by O
research projects it has funded
year 1998. A report should also
on cooperative projects planned

The Committee also expects
with other States to develop M
ing regional MOUs, as appro
Committee should be kept appr

Sandalow
6710 Sen Interior Report

Insert 5A

Climate Change Research

Several programs funded through this bill conduct science and technology research that are associated partly with global climate change. To the extent that the Committee has funded this work, it has done so based on each program's individual merits of contributing to issues associated with domestic energy production, national energy security, energy efficiency and cost savings, related environmental assessments, and general energy emission improvements. None of the funds provided in this bill are to be used to implement actions called for solely under the Kyoto Protocol, prior to its ratification.

The Byrd-Hagel Resolution passed in 1997 (S. Res. 98) remains the clearest statement of the will of the Senate with regards to the Kyoto Protocol, and the Committee is committed to ensuring that the Administration not implement the Kyoto Protocol without Congressional consent. The Committee recognizes, however, that there are also longstanding energy research programs which have goals and objectives that, if met, could have positive effects on energy use and the environment. The Committee does not intend to preclude these programs from proceeding, provided they have been funded and approved by Congress.

To the extent future funding requests may be submitted which would increase funding for climate change activities prior to Senate consideration of the Kyoto Protocol (whether under the auspices of the Climate Change Technology Initiative or any other initiative), the Administration must do a better job of explaining the components of the programs, their anticipated goals and objectives, the justification for any funding increases, a discussion of how success will be measured, and a clear definition of how these programs are justified by goals and objectives independent of implementation of the Kyoto Protocol. The Committee expects these items to be included as part of the fiscal year 2000 budget submission for all affected agencies.

Sen Interior Report

INSERT 98A

On October 22, 1997, the President announced a three-stage proposal on climate change in anticipation of an international agreement to be negotiated two months later in Kyoto, Japan. With regard to programs pursued under the President's proposal, the Committee expects the Department of Energy to comply with the letter and spirit of the Government Performance and Results Act. The Committee directs the Department to provide the Committee with a detailed plan for implementing key elements of the President's proposal, which would include performance goals for the reduction of greenhouse gases that have objective, quantifiable, and measurable target levels. The plan should provide evidence on the effectiveness of these programs in meeting the performance goals. The Department shall submit this plan to the Committee in conjunction with the fiscal year 2000 budget submission.

House VA-HUD Bill

remain available through September 30, 2007 for liquidating obligations made in fiscal years 1999 and 2000: *Provided further*, That none of the funds appropriated by this Act shall be used to develop, propose, or issue rules, regulations, decrees, or orders for the purpose of implementation, or in contemplation of implementation, of the Kyoto Protocol which was adopted on December 11, 1997, in Kyoto, Japan at the Third Conference of the Parties to the United Nations Framework Convention on Climate Change, which has not been submitted to the Senate for advice and consent to ratification pursuant to article II, section 2, clause 2, of the United States Constitution, and which has not entered into force pursuant to article 25 of such Protocol.

OFFICE OF INSPECTOR GENERAL

For necessary expenses of the Office of Inspector General in carrying out the provisions of the Inspector General Act of 1978, as amended, and for construction, alteration, repair, rehabilitation, and renovation of facilities, not to exceed $75,000 per project, $31,154,000, to remain available until September 30, 2000: *Provided*, That the obligated balance of such sums shall remain available through September 30, 2007 for liquidating obligations made in fiscal years 1999 and 2000.

For
teration,
or for us
$60,948,0

For
sive Envi
ity Act o
tions 11
9611), ar
tion, and
per proje
$650,00
lic Law 1
this head
(of whic
Septemb
until ex
ized by
Reauthc
Public
from ge
fund as

House VA-HUD Report

the Committee. Within the amounts provided for the Clean Water Action Plan, no less than $7,500,000 is intended to be used to expand local government activity in groundwater and source water protection through the groundwater/wellhead protection program. The expansion of this program in this manner will provide over 100 additional technicians for in-the-field work and will virtually guarantee that 2000 or more communities will adopt new goundwater/source water ordinances targeted to the highest risk watershed areas in each state.

The Committee expects that the National Environmental Education and Training Foundation will be funded at a level no less than $780,000. Additionally, the Committee urges the Agency to provide at least $3,000,000 to carry out the purposes of the Clean Air Act Amendments relative to the Great Waters program.

The Committee has again provided full funding to continue efforts to ensure smooth implementation of notification of lead-based paint hazards during real estate transactions. This program is a joint effort between EPA, the Departments of Health and Human Services and Housing and Urban Development, and the National Association of Realtors, and is, in the Committee's judgment, a prime example of how cooperative efforts can produce excellent results. The Committee continues to applaud EPA, HHS, HUD and the Realtors for their joint efforts and expresses its support for continued outreach to ensure that housing consumers get good information about lead hazards, which can help prevent many poisonings.

Last year, the Committee noted the value of and encouraged the Agency to submit a budget request for the Office of Small Business Ombudsman. The Committee continues to support this Office and the important bridge it represents to the small business community, and has therefore included within available funds in this account up to $500,000 for the staffing and operations of this office.

Bill language has been included which limits expenditures for certain activities relative to the Kyoto Protocol to the United Nations Framework Convention on Climate Change. This language was included in part because of sincere concerns that, lacking support for Senate ratification, the Administration is attempting to force binding greenhouse gas emission reductions through "back door" regulatory action and through greatly expanding existing programs. The bill language is intended to prohibit the expenditure of funds for implementation of the Kyoto Protocol in any manner until it has been ratified by the Senate.

Beyond this language, the Committee remains concerned with the apparent inequity of the Protocol, which places binding greenhouse gas emission reductions on the United States and 31 other nations while at the same time exempting 132 developing nations, including China, India, Brazil, and Mexico. These four nations alone are expected to emit more than 50 percent of the world's greenhouse gases by the year 2050. Last year, the United States Senate passed by a vote of 95–0 a resolution expressing the sense of the Senate that the United States should not be a signatory to any protocol regarding climate change in Kyoto that would place the United States at a competitive disadvantage. It would seem

this resolution was summ
tiators in Kyoto.
Finally, the Committee
among others, may be en
lobbying in an effort to b
the Protocol. While the
educating the public on e
fine line between educati
and the CEQ are thus
cational outreach or infor
the Kyoto Protocol until
Senate.
As was noted during th
budget submission, the C
ing forward with a nation
out adequately completin
(CAA), such as the obliga
visibility improvements a
sections of the CAA. In
from participation in a vi
search and monitor visib
and the cost-effectivenes
achieve reasonable progre
gram on a firm statuto
ommends that funding of
provided by the Agency
group of states comes forw
Each such VTC should
implementation of approp
goal of completion by Mar
vided to the Congress for
completing the plan, a sc
use the results of the pl
and a year-by-year project
sure that the regional ha
Federal mandate on the
the Committee monthly o
ing this directive.
Despite efforts over nea
ues to be a problem in t
1996 approximately 89 mi
centration of ozone at gro
tions allowed under the
Standards. Under the ne
American citizens are exp
theless, many uncertaint
technical information is
forts of EPA and state ag
ally being used by them.
The Agency is therefor
duct a study that indeper
nical information most n
EPA's actual use of such
and verifying regulatory

to be used to ex-
ndwater and source water
llhead protection program.
anner will provide over 100
rk and will virtually guar-
vill adopt new goundwater/
he highest risk watershed

ional Environmental Edu-
funded at a level no less
ittee urges the Agency to
the purposes of the Clean
it Waters program.
ill funding to continue ef-
f notification of lead-based
ictions. This program is a
nts of Health and Human
opment, and the National
Committee's judgment, a
s can produce excellent re-
aud EPA, HHS, HUD and
presses its support for con-
consumers get good infor-
can help prevent many

due of and encouraged the
ie Office of Small Business
to support this Office and
ie small business commu-
available funds in this ac-
d operations of this office.
h limits expenditures for
rotocol to the United Na-
e Change. This language
oncerns that, lacking sup-
stration is attempting to
reductions through "back
ly expanding existing pro-
rohibit the expenditure of
otocol in any manner until

remains concerned with
ich places binding green-
ited States and 31 other
g 132 developing nations,
ico. These four nations
0 percent of the world's
year, the United States
ion expressing the sense
ld not be a signatory to
Kyoto that would place
vantage. It would seem

this resolution was summarily ignored by the United States negotiators in Kyoto.

Finally, the Committee is concerned that the Agency, the CEQ, among others, may be engaging in activity that is tantamount to lobbying in an effort to build public support for implementation of the Protocol. While the Committee recognizes the importance of educating the public on environmental issues, there can be a very fine line between education and advocacy of an issue. The Agency and the CEQ are thus directed to refrain from conducting educational outreach or informational seminars on policies underlying the Kyoto Protocol until or unless the Protocol is ratified by the Senate.

As was noted during the Agency hearings on the fiscal year 1999 budget submission, the Committee is concerned that EPA is moving forward with a nationally applicable rule on regional haze without adequately completing its obligations under the Clean Air Act (CAA), such as the obligation to update the report to Congress on visibility improvements achieved through implementation of other sections of the CAA. In addition, most states have not benefited from participation in a visibility transport commission (VTC) to research and monitor visibility impairment, and assess its sources and the cost-effectiveness of any additional measures needed to achieve reasonable progress. To re-establish the regional haze program on a firm statutory footing the Committee strongly recommends that funding of up to $500,000 for up to eight VTCs be provided by the Agency from within available funds whenever a group of states comes forward as a VTC.

Each such VTC should use these funds to prepare and begin the implementation of appropriate, comprehensive work plans, with a goal of completion by March 1, 1999. Each such plan should be provided to the Congress for review, and should include a schedule for completing the plan, a schedule for each state serving on a VTC to use the results of the plan in its visibility implementation plan, and a year-by-year projection of the Federal funding required to ensure that the regional haze program will not result in an unfunded Federal mandate on the States. The Agency is directed to report to the Committee monthly on the progress made towards accomplishing this directive.

Despite efforts over nearly 30 years, ozone at ground level continues to be a problem in the United States. EPA estimated that in 1996 approximately 39 million people lived in areas where the concentration of ozone at ground-level was greater than the concentrations allowed under then-existing National Ambient Air Quality Standards. Under the new 1997 standards for ozone, many more American citizens are expected to be in that same situation. Nevertheless, many uncertainties remain regarding what scientific and technical information is most needed in the ozone abatement efforts of EPA and state agencies and how such information is actually being used by them.

The Agency is therefore directed to work with the NAS to conduct a study that independently evaluates such scientific and technical information most needed by EPA's air regulatory office, and EPA's actual use of such information in developing, implementing, and verifying regulatory strategies for ground-level ozone. The

Sen VA-HUD Com Report

[COMMITTEE PRINT]

NOTICE: This is a draft for use of the Committee and its staff only, in preparation for markup.

Calendar No. 000

105TH CONGRESS *2d Session*	SENATE	REPORT 105–000

DEPARTMENTS OF VETERANS AFFAIRS AND HOUSING AND URBAN DEVELOPMENT, AND INDEPENDENT AGENCIES APPROPRIATIONS BILL, 1999

JULY 00 (legislative day, JULY 00), 1998.—Ordered to be printed

MR. BOND, from the Committee on Appropriations, submitted the following

REPORT

[To accompany S. 0000]

The Committee on Appropriations reports the bill (S. 0000) making appropriations for the Departments of Veterans Affairs and Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1999, and for other purposes, reports favorably thereon and recommends that the bill do pass.

Amount of new budget (obligational) authority

Amount of bill as reported to Senate	$93,331,942,000
Amount of appropriations to date, 1998	88,392,163,000
Amount of budget estimates, 1999	94,081,470,705
Under estimates for 1999	749,528,675
Above appropriations for 1998	4,939,779,030

00–000 cc

Sen. VA-HUD Report

with the ongoing Jordan River nonpoint source project, including the creation of wetlands to control urban stormwater runoff.

+$1,000,000 for the Columbia basin ground water management assessment.

+$1,500,000 for the city of West Palm Beach, FL, for its wetlands-based potable water reuse program including stormwater and wastewater recycling.

+$500,000 for the Urban Rivers Awareness Program at the Academy of Natural Sciences in Philadelphia to develop a new environmental science program.

+$2,000,000 for education, outreach, technical studies, and training to minimize lead hazards created during home improvement and repainting projects.

+$1,000,000 for an expansion of EPA's efforts related to the Government purchase and use of environmentally preferable products under Executive Order 12873 including life cycle analysis. EPA should work with GSA, USDA, DOD, and the Office of the Federal Environmental Executive as well as other related agencies. EPA should establish appropriate definitions and standards, and use life-cycle methodologies and use nongovernmental certification and/or seal-type programs, where possible. Priority should be given to product areas where agri-based products are likely to be a significant component, including solvents, lubricants, building materials, and plastic substitute products.

+$200,000 to develop a technical guidance manual for use by permit reviewers and product specifiers (Government and private sector) to ensure appropriate uses of preserved wood in applications including housing, piers, docks, bridges, utility poles, and railroad ties.

+$2,000,000 for the State of Missouri Department of Natural Resources [DNR] for a clandestine methamphetamine lab cleanup project. The methamphetamine production process creates toxic and explosive gases and residue. The funds are to be used by the Missouri DNR in cooperation with law enforcement and local governments to fund the cleanup and removal of contaminated materials from methamphetamine lab sites.

+$100,000 to continue the Design for the Environment for Farmers Program to address the unique environmental concerns of the American Pacific area and the need to develop and adopt sustainable agricultural practices for these fragile tropical ecosystems.

+$200,000 for the Fairmount Water Works Interpretive Center for environmental education activities.

−$81,000,000 from the climate change technology initiative. The amount provided represents an increase of $5,023,000 for these activities. None of the funds provided to EPA are to be used to support activities related to implementation of the Kyoto protocol prior to its ratification.

−$11,500,000 from the environmental monitoring for public access and community tracking. The amount provided is the same as the current level for this new program.

Kyoto Prot

Sen VA-HUD Report

EPA to review favorably a grant proposal to develop a nationa wetlands data base clearinghouse, in cooperation with other Federal and State agencies, to demonstrate the applicability of geographic information system planning technology to provide a single, unified data base available to private and public stakeholders

The Committee directs EPA to coordinate efforts with the Office of National Drug Control Policy to conduct assessments of a sampling of seized clandestine methamphetamine producing laboratories and evaluate cleanup requirements necessary to ensure that such sites are safe for future human occupation. Findings and recommendations shall be reported to the chairman, the Director of the Drug Enforcement Agency, and the Director of ONDCP.

The Committee is aware that the lower Brazos River provides drinking water for some of the fastest growing areas of Texas. Through a project at Tarleton State University, the Brazos River Authority will continue to monitor the nutrient levels in the watershed and calibrate environmental standards to the poultry industry in the lower part of the Brazos. The Committee encourages EPA to support the efforts of the Brazos River Authority and Tarleton State University.

The Committee understands that EPA and the Council on Environmental Quality is looking at the impact of urban sprawl on water quality as part of the clean water action plan. The Committee encourages EPA to work with the Vermont Natural Resources Conservation Service and the University of Vermont who have formed a partnership to develop tools for local planners to assess the environmental impact of development on water quality.

The Committee directs the EPA to provide an accounting of global warming-related grants and contracts over $500,000. This report should be provided to the Committee by May 1, 1999.

The Committee is supportive of the Treasure Valley hydrologic project in Boise, ID, which involves a study of the impacts of irrigation and wells on ground water levels and water quality, in addition to providing valuable information about the source of contaminants which have been detected in the regional water supply system. EPA is urged to continue supporting this project.

The Committee is concerned with the regulatory burdens placed upon State and local governments by the EPA. The Committee encourages the Agency to work with State and local governments to increase the understanding and preparation for the effects and impacts of the regulations prior to the effective date for implementation of such regulations.

The Committee continues to be concerned with the Agency's sector facility indexing project. The Committee directs the Agency to ensure that the data used in this project is of good and accurate quality and to respond to and correct data errors, omissions, and inaccuracies in response to public comments.

On October 22, 1997, the President announced a three-stage proposal on climate change in anticipation of an international agreement to be negotiated 2 months later in Kyoto, Japan. With regard to programs pursued under the President's proposal, the Committee expects the Environmental Protection Agency to comply with the letter and spirit of the Government Performance and Results Act. The Committee directs the Agency to provide the Committee with a detailed plan for implementing the President's proposal which would include an annual performance goal for the reduction of greenhouse gases that has objective, quantifiable, and measurable target levels. The plan should provide substantial evidence on the effectiveness of implementing the President's proposal in facilitating compliance with binding greenhouse gas emissions reduction commitments contained in international agreements negotiated on behalf of the United States. The Agency shall submit this plan to the Committee by December 31, 1998. The General Accounting Office is directed to prepare a report that evaluates the Agency's completed plan and submit its report to the Committee within 90 days after receipt of the Agency's plan.

The Committee has not included proposed bill language relative to the environmental services fund.

OFFICE OF INSPECTOR GENERAL

(INCLUDING TRANSFER OF FUNDS)

Appropriations, 1998	$40,142,000
Budget estimate, 1999	43,391,300
Committee recommendation	43,391,300

PROGRAM DESCRIPTION

The Office of Inspector General provides EPA audit and investigative functions to identify and recommend corrective actions of management, program, and administrative deficiencies which create conditions for existing or potential instances of fraud, waste, and mismanagement.

Trust fund resources are transferred to this account directly from the hazardous substance Superfund.

COMMITTEE RECOMMENDATION

The Committee recommends $43,391,300 for the Office of Inspector General, the same as the budget request. The appropriation includes $31,154,000 from the general fund in this account and $12,237,300 from the Superfund trust fund. The trust fund resources will be transferred to the inspector general "General fund" account with an expenditure transfer.

BUILDINGS AND FACILITIES

Appropriations, 1998	$109,420,000
Budget estimate, 1999	52,948,000
Committee recommendation	52,948,000

PROGRAM DESCRIPTION

The appropriation for buildings and facilities at EPA covers the necessary major repairs and improvements to existing installations which are used by the Agency. This appropriation also covers new construction projects when appropriate.

COMMITTEE RECOMMENDATION

The Committee recommends the budget request of $52,948,000 for buildings and facilities. The Committee has not provided the

DRAFT -- DRAFT -- DRAFT -- DRAFT -- DRAFT -- DRAFT

TREASURY-GENERAL GOVERNMENT APPROPRIATIONS
Proposed Report Language
Climate Change Research
by Senator(s) Byrd + Craig

July 8, 1998 – II

Near the front of the report, insert the following:

On October 22, 1997, the President introduced a three-stage proposal on climate change in anticipation of an international agreement to be negotiated two months later in Kyoto, Japan. The President's budget for FY 1999 included a $6.3 billion package of tax incentives and research and development programs over the five years of stage I of the President's proposal. With regard to programs pursued under the President's proposal, the Committee expects the Administration to comply with the letter and spirit of the Government Performance and Results Act.

The Committee directs the Administration to designate which single office has operational authority to co-ordinate and direct inter-agency activity with regard to the President's proposal, which can report accountably to Congress.

None of the funds provided in this bill are to be used to implement actions called for solely under the Kyoto protocol, prior to its ratification.

The Byrd-Hagel resolution passed in 1997 (S. Res. 98) remains the clearest statement of the will of the Senate with regard to the Kyoto protocol, and the Committee is committed to ensuring that the Administration not implement the Kyoto protocol without Congressional consent. The Committee recognizes, however, that there are also longstanding energy research programs which have goals and objectives that, if met, could have positive effects on energy use and the environment. The Committee does not intend to preclude these programs from proceeding, provided they have been funded and approved by Congress.

To the extent future funding requests may be submitted which would increase funding for climate change activities prior to ~~Senate~~ ratification of the Kyoto protocol (whether under the auspices of the climate change technology initiative or any other initiative), the Administration must do a better job of explaining the components of the programs, their anticipated goals and objectives, the justification for any funding increases, a discussion of how success will be measured, and a clear definition of how these programs are justified by goals and objectives independent of implementation of the Kyoto protocol.

The Committee directs the Administration to provide the Committee with a detailed plan for implementing key elements of the President's proposal, which would include performance goals for the reduction of greenhouse gases that have objective, quantifiable, and measurable target levels. The plan should provide evidence on the effectiveness of these programs in meeting the performance goals. The Committee expects these items to be included as part of the fiscal year 2000 budget submission for all affected agencies.

s:\approps\treas-po.gen\fy99\gw-rpt.d2

July 2, 1998

Editorial Memorandum

Subject: Budget Battle Over Climate Change Programs

To: Editors, Writers and Columnists

From: Todd Stern
Assistant to the President for Special Projects

When Congress returns from their Independence Day recess, it will resume work
on legislative proposals that could seriously impede the President's initiative to meet the challenge of global climate change. These proposals would seek not only to curtail the Administration's ability to carry out cost-effective, voluntary programs that reduce greenhouse gas emissions, but even to bar *educational* discussion on the issue of climate change.

Shortly before the recess, the House Appropriations Committee approved language that would bar the Administration from "conducting educational outreach or informational seminars on policies underlying the Kyoto Protocol until or unless the Protocol is ratified by the Senate."

This unprecedented language would, in effect, purport to bar all Administration discussion of any issue relating to global climate change since that is what the Kyoto Protocol is all about. Members of Congress, of course, have every right to take any position they wish on climate change and to articulate those views loudly and often. But, the idea that Congress would impose a gag order on the Administration -- barring educational and informational discussion of a major issue -- is utterly contrary to the best interests of the public and offensive to the fundamental, democratic principle of fair and open debate.

In addition, other language in the bill could be read to prevent the Administration from taking common sense actions to enhance energy efficiency or spur the development of renewable energy.

Global climate change is a serious issue that deserves a serious response, not efforts to stifle debate or cut off the kind of constructive activity that can help us find solutions. The threats posed by climate change -- such as increasingly frequent and severe storms and droughts, potential increases in respiratory and infectious diseases and rising sea levels -- are too serious to ignore. Indeed, many scientists believe that the kind of severe weather the nation has experienced this year under the influence of El Niño is the kind of thing we will face a lot more in the warmer, wetter world that global warming is projected to bring. Dr. James Baker, head of the National Oceanographic and Atmospheric Administration, has made exactly that point.

The effort to promote energy efficiency and renewable energy has been a long standing priority of this and previous administrations, and has enjoyed bipartisan support in Congress. In October 1992, the Senate ratified the Framework Convention on Climate Change, which the Bush Administration had agreed to several months earlier at the so-called "Earth Summit" in Rio de Janeiro, formally endorsing the goal of limiting our greenhouse gas emissions.

Activities undertaken in the spirit of the Rio Treaty could be prohibited under this bill. For example, the language could be read to prevent agencies from working on executive orders to improve the federal government's own use and procurement of energy.

Furthermore, the language could prevent the Administration from considering greenhouse gas emissions during rulemaking, even though such consideration was authorized by law. For example, in writing a rule to limit emissions of methane from landfills, the Environmental Protection Agency could have been prevented from considering the global warming impacts of the rule. The landfill methane rule has cut methane emissions by half, the equivalent of the emissions from 20 million cars.

In addition to egregious language, the bills contain significant funding cuts -- cuts to the historically bi-partisan energy efficiency and renewable energy programs that help decrease our dependence on foreign oil, improve air quality, decrease energy costs for consumers and business, increase our economic competitiveness and reduce greenhouse gas emissions.

President Clinton's plan to meet the challenge of climate change emphasizes win-win initiatives designed to cut emissions by increasing energy efficiency, developing renewable energy sources and working with industry to promote sensible solutions. It amounts to a prudent effort to buy an insurance policy against a future risk.

I have attached to this memo the VA, HUD Appropriations bill and report language, a letter from Office of Management & Budget Director Jack Lew, threatening a veto on the bill in its current form, and a fact sheet on climate change.

For further information, please call Martha Wofford at (202) 395-2345.

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

July 6, 1998
(Senate Floor)

STATEMENT OF ADMINISTRATION POLICY

(THIS STATEMENT HAS BEEN COORDINATED BY OMB WITH THE CONCERNED AGENCIES.)

S. 2168 – DEPARTMENTS OF VETERANS AFFAIRS AND HOUSING AND URBAN DEVELOPMENT, AND INDEPENDENT AGENCIES APPROPRIATIONS BILL, FY 1999

(Sponsors: Stevens (R), Alaska; Bond (R), Missouri)

This Statement of Administration Policy provides the Administration's views on S. 2168, the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Bill, FY 1999, as reported by the Senate Appropriations Committee. Your consideration of the Administration's views would be appreciated.

The Administration appreciates efforts by the Committee to accommodate the President's priorities within the 302(b) allocation. However, the allocation is simply insufficient to make the necessary investments in programs funded by this bill. As a result, a variety of critical programs are underfunded, as discussed below.

The only way to achieve the appropriate investment level is to offset discretionary spending by using savings in other areas. The President's FY 1999 Budget proposes levels of discretionary spending for FY 1999 that conform to the Bipartisan Budget Agreement by making savings in mandatory and other programs available to help finance this spending. In the recently enacted Transportation Equity Act, Congress -- on a broad, bipartisan basis -- took similar action in approving funding for surface transportation programs paid for with mandatory offsets. The Committee has used part of one such offset in its version of the bill, and we encourage the Congress to take advantage of such additional offsets.

Below is a discussion of our specific concerns with the Committee-reported bill. We look forward to working with you to resolve these concerns as the bill moves forward.

Department of Housing and Urban Development

The Administration is deeply concerned about the funding levels provided for key programs within the Department of Housing and Urban Development, particularly for welfare-to-work housing vouchers and other programs such as the Community Empowerment Fund that would expand job opportunities.

The Administration is very disappointed by the Committee's decision to fund only 7,000 incremental vouchers through a $40 million "Self-Sufficiency" housing vouchers pilot program that earmarks funds for eight specified localities. In light of recent studies that show historically high unmet housing need among very low-income Americans, the Administration believes it is critical for the Congress to fund the entire 50,000 welfare-to-work housing vouchers provided for in the President's request. Moreover, these welfare-to-work housing vouchers should be made available in a way that ensures vouchers are distributed to places with both the greatest need and the most effective program design. Full funding for welfare-to-work housing vouchers will support implementation of welfare reform by assisting those welfare recipients who need housing assistance to get or keep a job.

The Administration encourages the Congress to fund fully the President's request for $400 million for a Community Empowerment Fund to generate jobs in distressed communities. The Committee provides only $85 million as a set-aside within the existing CDBG program, with over 75 percent earmarked for specific projects.

The Administration appreciates the Committee's decision to fund a number of programs at the levels requested and to renew all expiring Section 8 contracts. Likewise, we appreciate the Committee's decision to increase funding for Homeless Assistance Grants above FY 1998 levels. We would strongly oppose, however, a rigid set-aside for permanent housing, which would reduce the ability of each local entity to adopt the most effective response to the homeless challenge unique to that area. Further, the Administration is disappointed by the absence of funding for Regional Opportunity Counseling, a voluntary effort to expand the housing and employment opportunities available to low-income families. We urge the Senate to provide additional resources for the Fair Housing Initiatives Program in order to reduce housing discrimination that remains all too common. The Administration encourages the Senate to fund fully a number of other areas – Brownfields, Regional Connections, Office of Lead Hazard Control, and the Partnership for Advancing Technologies in Housing (PATH) Initiative.

The Administration appreciates the Committee's decision to raise the limit on FHA single-family loans. The Administration urges the Congress to provide even greater homeownership opportunities by increasing FHA's loan limit to the GSE "conforming" limit. In addition, the Administration urges the Congress to adopt the Administration's proposal to reform HUD's single-family property disposition program, which would produce substantial savings by improving the efficiency of FHA's property disposition processes.

Finally, the Administration is concerned about the Committee's decision not to fund FHA administrative expenses. Appropriated funds are FHA's only source for contracting for vital management services for its insurance funds.

Environmental Protection Agency

The Administration has several major concerns with the Committee's mark for the Environmental Protection Agency. In particular, the Administration strongly objects to the action of the Committee to reallocate approximately $600 million of funds that were already agreed to last year to accelerate Superfund cleanups. This reduction would delay cleanups at sites nationwide and needlessly jeopardize public health. The Administration urges the Senate to restore Superfund to the levels agreed to last year for FY 1999 and to delete restrictive language preventing use of brownfields funding for revolving loan funds.

While the Administration appreciates the increases provided for the Clean Water Action Plan, we urge the Senate to provide the President's full request to prevent pollution run-off and protect public health. In addition, the Administration strongly urges the Congress to restore the $50 million request to help improve water quality in Boston Harbor and prevent beach closings.

The Administration strongly opposes the Committee's $91 million reduction in EPA funding for the Climate Change Technology Initiative. This high-priority program should be fully funded to cut energy usage, save consumers money, and reduce greenhouse gas emissions. We will work with the Congress to restore requested funding as the bill moves forward. The Administration is also concerned about the report language relating to this initiative, which is so broad that it could be interpreted to preclude or terminate many on-going activities that are already authorized by existing laws and treaties. In addition, the Administration objects to the report language requiring a detailed Government Performance and Results Act (GPRA) plan relating to Climate Change activities. Such a plan is premature and appears to require us to set goals for implementing the Kyoto Protocol before it has been ratified by the Senate.

The Administration is also concerned with the large number of unrequested, earmarked projects in the Committee mark for EPA, particularly when the Committee has reduced several other high-priority Administration initiatives, including right-to-know programs, Montreal Protocol, GLOBE, global change research, and Mexican border wastewater treatment funding.

Council on Environmental Quality

The Administration appreciates the modest increase over the FY 1998 level provided for the Council on Environmental Quality (CEQ). However, we strongly believe that in order to allow CEQ to carry out its environmental mission and reinvention efforts, the full requested level should be provided, and language prohibiting use of detailees should be deleted.

Corporation for National and Community Service

The Administration is deeply concerned that freezing funding for the Corporation for National and Community Service at the FY 1998 level, $74 million below the President's request, will not allow the Corporation to finance nearly 5,000 AmeriCorps tutors targeted to recruit, organize, and manage more than 60,000 volunteers as part of America Reads, the Administration's effort to raise student literacy through the use of tutors to supplement the school day activities.

Community Development Financial Institutions Fund

The Administration strongly opposes the Committee's decision to reduce the request for the Community Development Financial Institutions Fund by $70 million. This cut would severely reduce the Fund's ability to leverage investments, loans, and financial services in the country's most distressed communities.

Neighborhood Reinvestment Corporation

The Administration is disappointed by the Committee's decision not to fund the full request for the Neighborhood Reinvestment Corporation (NRC). The NRC has a proven successful record of leveraging private sector resources to promote homeownership and helping to strengthen Americas communities. The Administration urges the Senate to fully fund the President's request of $90 million, which includes a $25 million homeownership initiative that seeks to create 10,000 new homeowners through FY 2000.

National Aeronautics and Space Administration

The Administration is pleased that the Committee has fully funded the President's request for NASA. We hope that it is possible to reach an accommodation on overall funding in the bill that can satisfy both the Administration's unfunded priorities in other agencies and the Committee's interest in providing increased funding for NASA. As indicated above, the Administration looks forward to working with Congress to identify mandatory and other program savings so that increases in spending, such as the additional spending for NASA, is possible.

We are concerned by the increased number of appropriation accounts for Space Station and other activities. The redirection of key resources to implement this change could threaten NASA's Year 2000 conversion effort and pose an audit risk. The Administration is prepared to work with the Congress to control development costs of the International Space Station better, while also providing the flexibility necessary to deal with unanticipated requirements. The Administration is also concerned about the very large number of unrequested, site-specific earmarks, which would have the effect of circumventing the competitive, peer review process.

Federal Emergency Management Agency

The Administration appreciates the level of funding provided by the Committee for the Federal Emergency Management Agency. However, we believe that the $25 million reduction to the President's request for pre-disaster mitigation grants is shortsighted. These grants would help reduce the costs of future disasters by leveraging local and private-sector support for enhanced mitigation efforts at the State and community level. We urge the Senate to fund fully the President's request for this important initiative. In addition, we urge the Senate to approve the President's recent request for funding to help States and communities prepare for potential terrorist incidents involving chemical and/or biological weapons.

National Science Foundation

Given the budget constraints facing the Committee, the Administration appreciates the effort to provide a $215 million increase over the FY 1998 level for the National Science Foundation (NSF). However, the Administration is concerned that the elimination of funding for the proposed Polar Cap Observatory (PCO) would hamper scientists' further understanding of the Earth's upper atmosphere as well as the study of conditions in the space environment that can influence the performance and reliability of satellites, communications, navigation, and electric power distribution systems. The Administration is firmly committed to NSF's basic research function, which not only promotes scientific advancement but also contributes to economic development. We strongly urge the Senate to provide the full increase requested for NSF. The Administration is also concerned about the number and specificity of earmarks related to NSF, which come dangerously close to infringing on the merit-based review and decision-making process.

Administrative Provision

Finally, the Administration supports the Committee's goal of ensuring a safe and environmentally sound ship scrapping policy. The specific requirements in the bill, however, raise implementation issues such as EPA's certification of the enforcement of other countries' laws. The Administration believes that a starting point to develop a more workable approach to achieve these protection aims would be to build on the recommendations of the Interagency Ship Scrapping Review Panel. The Administration is committed to working with Congress to resolve these concerns and to finding mutually acceptable solutions that achieve these important objectives.

Legislative Alert

Funding for Energy Efficiency is Cut, Putting the Domestic Climate Initiative at Risk -- Amendment to Restore Funding is Planned

In a major attack on President Clinton's Domestic Climate Change Initiative, the House Appropriations Committee voted on June 25 for major cuts in the energy efficiency programs funded through the Department of Energy -- $25 million below 1998 levels and more than $200 million below the President's request for FY99. In response, Rep. Jon Fox (R-PA) is preparing to offer an amendment to the FY99 Interior Appropriations Bill when the bill comes to the floor of the House of Representatives in mid-July. A bipartisan group of House members [Boehlert (R-NY), Davis (R-VA), Roemer (D-IN), and Gutierez (D-IL)] have joined Fox in a letter to fellow Members of the House stressing the importance of energy efficiency for meeting environmental and economic goals, and expressing support for a floor amendment.

Cuts proposed by the committee will hamper many of DOE's cooperative energy-saving research programs with the private sector and will curtail energy-saving partnerships with states and communities. The adverse effects of these cuts include:

** Partnerships with the home building industry to greatly improve the energy efficiency, quality, and affordability of new housing will be slowed;

** Efforts to accelerate R & D on fuel cells – the single most promising technology for achieving breakthrough improvements in motor vehicle air emissions and energy efficiency – will be slowed down;

** Joint research with the steel, pulp and paper, chemical, and other industries on new energy-saving and emissions reducing technologies, processes, and materials will be delayed;

** The number of low-income residences that will be weatherized in the coming year will be cut by over 20,000.

Representative Fox and his colleagues are formulating an amendment that would eliminate reductions from FY98 levels and add significant additional funds to expand the most promising energy efficiency efforts. Funding on the order of $75 million is being considered for the amendment. Please contact your Representative during early July (most will be back in their districts until July 13) and urge him/her to join as a cosponsor of the Fox Amendment to restore funding for energy efficiency to the FY99 Interior Appropriations Bill. Also, be sure to forward this alert to your own activist network. A vote could come in the House as early as July 16.

Any Representative's Washington office can be reached through the US Capitol switchboard at 202-224-3121. Many Representatives can be contacted on-line through the House of Representatives Home Page at <www.house.gov>.

P.S. Earlier this year, the President's Council of Advisors on Science and Technology (PCAST) reported that R&D investments in energy efficiency are the most cost-effective way to simultaneously reduce the risks of climate change, oil import interruption, and regional air pollution, and improve the productivity of the economy. PCAST has recommended that energy efficiency research be doubled, which could produce a 40-to-one return on investment. Contact your Representative today.

* * * * * **FAX TRANSMITTAL** * * * * *

SENATE APPROPRIATIONS COMMITTEE
INTERIOR SUBCOMMITTEE

TO: Roger Ballantine (fax 456 6468)

2 Pages to Follow

FROM: ***Sue Masica***
Phone (202) 224-5271
Fax (202) 228-0249

COMMENTS: Final language

Insert 5A

Climate Change Research

Several programs funded through this bill conduct science and technology research that are associated partly with global climate change. To the extent that the Committee has funded this work, it has done so based on each program's individual merits of contributing to issues associated with domestic energy production, national energy security, energy efficiency and cost savings, related environmental assessments, and general energy emission improvements. None of the funds provided in this bill are to be used to implement actions called for solely under the Kyoto Protocol, prior to its ratification.

The Byrd-Hagel Resolution passed in 1997 (S. Res. 98) remains the clearest statement of the will of the Senate with regards to the Kyoto Protocol, and the Committee is committed to ensuring that the Administration not implement the Kyoto Protocol without Congressional consent. The Committee recognizes, however, that there are also longstanding energy research programs which have goals and objectives that, if met, could have positive effects on energy use and the environment. The Committee does not intend to preclude these programs from proceeding, provided they have been funded and approved by Congress.

To the extent future funding requests may be submitted which would increase funding for climate change activities prior to Senate consideration of the Kyoto Protocol (whether under the auspices of the Climate Change Technology Initiative or any other initiative), the Administration must do a better job of explaining the components of the programs, their anticipated goals and objectives, the justification for any funding increases, a discussion of how success will be measured, and a clear definition of how these programs are justified by goals and objectives independent of implementation of the Kyoto Protocol. The Committee expects these items to be included as part of the fiscal year 2000 budget submission for all affected agencies.

INSERT 08A

On October 22, 1997, the President announced a three-stage proposal on climate change in anticipation of an international agreement to be negotiated two months later in Kyoto, Japan. With regard to programs pursued under the President's proposal, the Committee expects the Department of Energy to comply with the letter and spirit of the Government Performance and Results Act. The Committee directs the Department to provide the Committee with a detailed plan for implementing key elements of the President's proposal, which would include performance goals for the reduction of greenhouse gases that have objective, quantifiable, and measurable target levels. The plan should provide evidence on the effectiveness of these programs in meeting the performance goals. The Department shall submit this plan to the Committee in conjunction with the fiscal year 2000 budget submission.

Senate VA-HUD Rept.

EPA to review favorably a grant proposal to develop a national wetlands data base clearinghouse, in cooperation with other Federal and State agencies, to demonstrate the applicability of geographic information system planning technology to provide a single, unified data base available to private and public stakeholders.

The Committee directs EPA to coordinate efforts with the Office of National Drug Control Policy to conduct assessments of a sampling of seized clandestine methamphetamine producing laboratories and evaluate cleanup requirements necessary to ensure that such sites are safe for future human occupation. Findings and recommendations shall be reported to the chairman, the Director of the Drug Enforcement Agency, and the Director of ONDCP.

The Committee is aware that the lower Brazos River provides drinking water for some of the fastest growing areas of Texas. Through a project at Tarleton State University, the Brazos River Authority will continue to monitor the nutrient levels in the watershed and calibrate environmental standards to the poultry industry in the lower part of the Brazos. The Committee encourages EPA to support the efforts of the Brazos River Authority and Tarleton State University.

The Committee understands that EPA and the Council on Environmental Quality is looking at the impact of urban sprawl on water quality as part of the clean water action plan. The Committee encourages EPA to work with the Vermont Natural Resources Conservation Service and the University of Vermont who have formed a partnership to develop tools for local planners to assess the environmental impact of development on water quality.

The Committee directs the EPA to provide an accounting of global warming-related grants and contracts over $500,000. This report should be provided to the Committee by May 1, 1999.

The Committee is supportive of the Treasure Valley hydrologic project in Boise, ID, which involves a study of the impacts of irrigation and wells on ground water levels and water quality, in addition to providing valuable information about the source of contaminants which have been detected in the regional water supply system. EPA is urged to continue supporting this project.

The Committee is concerned with the regulatory burdens placed upon State and local governments by the EPA. The Committee encourages the Agency to work with State and local governments to increase the understanding and preparation for the effects and impacts of the regulations prior to the effective date for implementation of such regulations.

The Committee continues to be concerned with the Agency's sector facility indexing project. The Committee directs the Agency to ensure that the data used in this project is of good and accurate quality and to respond to and correct data errors, omissions, and inaccuracies in response to public comments.

On October 22, 1997, the President announced a three-stage proposal on climate change in anticipation of an international agreement to be negotiated 2 months later in Kyoto, Japan. With regard to programs pursued under the President's proposal, the Committee expects the Environmental Protection Agency to comply with the letter and spirit of the Government Performance and Results [illegible] The Committee directs the Agency to provide the Committee with a detailed plan for implementing the President's proposal, which would include an annual performance goal for the reduction of greenhouse gases that has objective, quantifiable, and measurable target levels. ~~The plan should provide substantial evidence on the effectiveness of implementing the President's proposal in facilitating compliance with binding greenhouse gas emissions reduction commitments contained in international agreements negotiated on behalf of the United States.~~ The Agency shall submit this plan to the Committee by December 31, 1998. The General Accounting Office is directed to prepare a report that evaluates the Agency's completed plan and submit its report to the Committee within 90 days after receipt of the Agency's plan.

The Committee has not included proposed bill language relative to the environmental services fund.

OFFICE OF INSPECTOR GENERAL

(INCLUDING TRANSFER OF FUNDS)

Appropriations, 1998	$40,142,000
Budget estimate, 1999	43,391,300
Committee recommendation	43,391,300

PROGRAM DESCRIPTION

The Office of Inspector General provides EPA audit and investigative functions to identify and recommend corrective actions of management, program, and administrative deficiencies which create conditions for existing or potential instances of fraud, waste, and mismanagement.

Trust fund resources are transferred to this account directly from the hazardous substance Superfund.

COMMITTEE RECOMMENDATION

The Committee recommends $43,391,300 for the Office of Inspector General, the same as the budget request. The appropriation includes $31,154,000 from the general fund in this account and $12,237,300 from the Superfund trust fund. The trust fund resources will be transferred to the inspector general "General fund" account with an expenditure transfer.

BUILDINGS AND FACILITIES

Appropriations, 1998	$109,420,000
Budget estimate, 1999	52,948,000
Committee recommendation	52,948,000

PROGRAM DESCRIPTION

The appropriation for buildings and facilities at EPA covers the necessary major repairs and improvements to existing installations which are used by the Agency. This appropriation also covers new construction projects when appropriate.

COMMITTEE RECOMMENDATION

The Committee recommends the budget request of $52,948,000 for buildings and facilities. The Committee has not provided the

Sen. VA-HUD Report

with the ongoing Jordan River nonpoint source project, including the creation of wetlands to control urban stormwater runoff.

+ $1,000,000 for the Columbia basin ground water management assessment.
+ $1,500,000 for the city of West Palm Beach, FL, for its wetlands-based potable water reuse program including stormwater and wastewater recycling.
+ $500,000 for the Urban Rivers Awareness Program at the Academy of Natural Sciences in Philadelphia to develop a new environmental science program.
+ $2,000,000 for education, outreach, technical studies, and training to minimize lead hazards created during home improvement and repainting projects.
+ $1,000,000 for an expansion of EPA's efforts related to the Government purchase and use of environmentally preferable products under Executive Order 12873 including life cycle analysis. EPA should work with GSA, USDA, DOD, and the Office of the Federal Environmental Executive as well as other related agencies. EPA should establish appropriate definitions and standards, and use life-cycle methodologies and use nongovernmental certification and/or seal-type programs, where possible. Priority should be given to product areas where agri-based products are likely to be a significant component, including solvents, lubricants, building materials, and plastic substitute products.
+ $200,000 to develop a technical guidance manual for use by permit reviewers and product specifiers (Government and private sector) to ensure appropriate uses of preserved wood in applications including housing, piers, docks, bridges, utility poles, and railroad ties.
+ $2,000,000 for the State of Missouri Department of Natural Resources [DNR] for a clandestine methamphetamine lab cleanup project. The methamphetamine production process creates toxic and explosive gases and residue. The funds are to be used by the Missouri DNR in cooperation with law enforcement and local governments to fund the cleanup and removal of contaminated materials from methamphetamine lab sites.
+ $100,000 to continue the Design for the Environment for Farmers Program to address the unique environmental concerns of the American Pacific area and the need to develop and adopt sustainable agricultural practices for these fragile tropical ecosystems.
+ $200,000 for the Fairmount Water Works Interpretive Center for environmental education activities.

* – $81,000,000 from the climate change technology initiative. The amount provided represents an increase of $5,023,000 for these activities. None of the funds provided to EPA are to be used to support activities related to implementation of the Kyoto protocol prior to its ratification.

– $11,500,000 from the environmental monitoring for public access and community tracking. The amount provided is the same as the current level for this new program.

* –$10,000,000 from the climate change technology initiative. The amount provided represents a $20,000,000 increase over the enacted level. This increase will allow for the acceleration of EPA's efforts in support of the Partnership for a New Generation of Vehicles.

–$3,750,000 as a general reduction, subject to normal reprogramming guidelines.

The Committee notes that the National Academy of Sciences recently issued a report on particulate matter (PM) research as directed by the House and Senate Appropriations Committees. The NAS panel, which included a diverse group of scientists from a variety of backgrounds, reported that EPA's allocation of PM research dollars was misdirected. "EPA should devote more funds to studying the types of particles most likely to be harmful to human health, the ways particles cause damage, and the levels of exposure people actually receive." The panel further found, "Given the potential magnitude of public health consequences associated with exposures to particulate matter and the potential economic costs of implementing the new PM standards, it is essential that policymakers and the American public have confidence that sufficient, high-quality scientific and technical information is available to reduce the risks effectively and efficiently. Proceeding in the absence of such information could lead policymakers to focus on standards and controls for PM that are not of the highest public health priority."

The Committee fully expects EPA will refocus its research agenda consistent with the NAS recommendations. EPA is to work closely with NAS in ensuring limited PM research dollars are allocated to the highest priority areas, particularly in view of the short timeframe leading to the next national ambient air quality standards (NAAQS) review.

With respect to the PM monitoring network, NAS recommended EPA reevaluate the network. NAS reported "The agency should consider more fully the possibility that future research results might indicate that the expensive monitoring program is not measuring the most biologically important aspects of particulate matter. Such an inconsistency would undermine the credibility and effectiveness of future control strategies and underprotect vulnerable subpopulations." While the Committee has fully funded the administration's request for the PM monitoring network, EPA is expected to follow the NAS recommendation to have the monitoring network peer reviewed. EPA should involve NAS in this effort.

EPA is urged to fund the hazardous substance research centers at current levels.

The Committee fully supports EPA's budget request of approximately $35,600,000 for drinking water research, and the Committee expects that microbial contamination will be given a high priority within that budget. The Committee also supports no less than the full budget request for the Environmental Technology Verification Program.

The Committee urges EPA to study the potential health effects of the following chemicals: boric acid, decabromodiphenyl oxide, hexabromocyclododecane, antimony trioxide, tris phosphate, urea, phenol isopropylated phosphate, ammonium bromide, phosphorothioic acid, phosphonic acid, ammonium polyphosphate, ammo-

Sen E+W

SOLAR AND RENEWABLE ENERGY

Appropriations, 1998	$346,866,000
Budget estimate, 1999	437,158,000
Committee recommendation	345,479,000

This is the first Energy and Water Development Appropriations Act considered by the Committee following the signing of the Kyoto Global Climate Change Accord.

The Committee is reluctant and unable to draw conclusions regarding the existence, extent, or affects of global climate change. However, in the face of uncertainty regarding global climate change and the human health effects of atmospheric pollution, prudence merits consideration be given to energy production technologies that reduce the emission of pollutants that accumulate in the atmosphere.

In that regard, the Committee considers the administration's use of base-year metrics, that is: the recommendation that the United States reduce its emissions of certain pollutants to 1990 levels, to be an inappropriate metric. The Committee recommends that the accumulation of pollutants in the atmosphere be considered in terms of their historical concentrations; not their annual production rates since it is the concentration levels not the rate of accumulation which are alleged to have global climate change implications.

When considered in those terms, the commitments made in Kyoto will have a negligible affect on the concentration of CO_2 and other pollutants in the atmosphere. If prudence merits the development of new energy production technologies, it also requires a recognition that existing technology does not provide a means to meet increasing global energy requirements while stabilizing the production of atmospheric pollutants and certainly does not provide a means to reduce atmospheric pollution concentrations.

The Committee has modified the request for low emission energy technologies; including solar and renewable and nuclear, with the view toward post 2010 application of new technologies. As a result, with few exceptions, the Committee recommends basic research that will provide significant improvements over existing technologies rather than on the deployment or incremental improvement of commercial or near commercial technologies. The Committee is well aware of the proposition that appropriated funds can demonstrate the reliable operation of low emission technologies before they become commercially attractive. In a few cases, the Committee has provided funds for just such demonstrations. However, in general, the Committee expects non-Federal financing to support the final stages of product development and all stages of market development.

Solar building technology research.—The Committee recommends $3,600,000 for solar building technology research. For space conditioning and water heating, the Committee provides $100,000 instead of the requested $500,000 and directs that the funds provided be used to improve computer models that predict the reliability of solar systems made of new materials. The Committee recommendation does not provide funds for precompetitive field validation.

Photovoltaic energy systems.—The Committee recommends $57,110,000 for photovoltaic energy systems which includes

Rest ok

House Interior

DOE, Fossil Energy

General Plant Projects.—The Committee recommends $2,600,000, the budget request for general plant projects.

Mining.—The Committee recommends $5,000,000, the budget request, for the mining/advanced metallurgical processes program.

The Committee agrees to the following:

1. Within the funds provided for direct liquefaction, the Department should make every effort to work with the major contractor on the distribution of these funds.

2. Existing fuel cell contracts should be downselected in fiscal year 1999 from 3 to 2 contractors.

3. The increase of $2,000,000 in the fuel cell program for multilayer ceramic technology is contingent on its being used to work with McDermott Technology, Inc. on the development of this technology; provided the company provides matching funds.

4. The Committee expects the Department to issue a single solicitation covering all three classes in the oil technology/recovery field demonstrations program and to require a minimum cost share of 65%.

5. The Committee expects the Department to address the House Science Committee's recommendation with respect to peer-reviewed, cost-shared research in the fiscal year 2000 budget request.

6. The Committee is informed of industry development of a low-cost, energy-efficient prototype which applies well-established ramjet technology from the aerospace industry to electric power generation. The Committee is advised that this energy source is expected to burn a wide variety of fuels (including coal mine methane and landfill gases) and promises to do so with greater efficiency and with substantially lower levels of harmful emissions than competing power systems. The compact, simple design of the prototype also promises to be less expensive to build and operate than other forms of power generation. The Committee encourages the Department to continue its dialogue with industry on the development of this prototype which is scheduled to be completed and tested prior to fiscal year 1999.

7. The turbine program funding is consolidated in Energy Conservation but Fossil Energy should continue to manage its portions of the program.

8. The Committee strongly encourages continued coordination with States and industry to ensure research is meaningful and not duplicative. Further direction on working with the States is included under Administrative Provisions, Department of Energy.

9. No funds are to be used to implement the Kyoto agreement on global warming/climate change.

ALTERNATIVE FUELS PRODUCTION

(INCLUDING TRANSFER OF FUNDS)

Appropriation enacted, 1998	-$1,600,000
Budget estimate, 1999	-1,300,000
Recommended, 1999	-1,300,000
Comparison:	
Appropriation, 1998	+300,000
Budget estimate, 1999	0

The Committee recommends the deposit of investment income earned as of October 1, 1998, on principal amounts in a trust fund

established as part of the sale
Plant in Beulah, ND, into this a
the funds to the General Fund of
able as of October 1, 1998, is estin

NAVAL PETROLEUM AN

Appropriation enacted, 1998	
Budget estimate, 1999	
Recommended, 1999	
Comparison:	
Appropriation, 1998	
Budget estimate, 1999	

The amounts recommended by
budget estimates by activity are

[illegible]

The Committee recommends $
naval petroleum and oil shale
below the budget request and
1998 level. The large decrease
flects the operational savings ac
Hills Naval Petroleum Reserve
quest will be offset through the
ances under the Committee's re
recommended bill language wh
thority to use unobligated balar
for the operation of the Naval

The Department should notify
prior year balances for NPR o
should the use of those balance
justified in the budget request a

ENERGY C

The energy conservation pro
funds cooperative research and
taining economic growth throug
ties financed through this pro
existing technologies as well as
ultimately will displace some
fuels.

Appropriation enacted, 1998	
Budget estimate, 1999	
Recommended, 1999	
Comparison:	
Appropriation, 1998	
Budget estimate, 1999	

Environmental Protection Agency

The Administration has several major concerns with the Subcommittee's mark for the Environmental Protection Agency. In particular, the Administration strongly objects to the action of the Subcommittee to reallocate approximately $600 million of funds that were already agreed to last year to accelerate Superfund cleanups. This reduction would delay cleanups at sites nationwide and needlessly jeopardize public health. It will be important to find resources to restore Superfund to the levels agreed to last year for FY 1999. The Administration also strongly urges the Congress to provide the full $50 million request to help improve water quality in Boston Harbor and prevent beach closings.

The Administration strongly opposes the Subcommittee's $106 million reduction in EPA funding for the Climate Change Technology Initiative. This high priority program should be fully funded to cut energy usage, save the consumers money, and reduce greenhouse gas emissions. We will work with the Congress to restore requested funding as the bill moves forward. In addition, the Administration strongly opposes bill language relating to the Kyoto Protocol. While the Administration does not intend to implement the Protocol until it is ratified, the language could be interpreted broadly to inadvertently prevent activities which limit greenhouse gases but that have other benefits or are being undertaken for entirely different reasons. The Administration also opposes this and other riders because they abuse the legislative process by denying the public and members of Congress with the opportunity to examine and debate these proposals in the light of day. ~~Further,~~ this language sets a dangerous and unwarranted precedent for exempting specific chemicals from potential control under the Clean Air Act.

Finally, the Administration is also concerned with the large number of unrequested, earmarked projects in the Subcommittee mark for EPA, particularly when the Subcommittee has reduced several other high priority Administration initiatives, including right-to-know programs, Montreal Protocol, GLOBE, and Mexican border wastewater treatment funding.

Council on Environmental Quality

The Administration appreciates the modest increase over the FY 1998 level provided for the Council on Environmental Quality (CEQ). However, we strongly believe that in order to allow CEQ to carry out its environmental mission and reinvention efforts, the full requested level should be provided and language prohibiting use of detailees should be deleted. In addition, while we agree that NEPA reinvention is important, we do not agree that it should supplant other Administration priorities such as the American Heritage Rivers program.

g:\data\epaobjec.hs2

Senate Renewable Energy & Energy Efficiency Caucus
(105th Congress)

Established May 21, 1998
Members as of June 16, 1998

# of Republicans = 4
# of Democrats = 4
Total # of members = 8 (representing 8 states)

1) **Wayne Allard (R-CO)** -- chair
2) **Jim Jeffords (R-VT)** -- founder
3) Bob Kerrey (D-NE) -- founder
4) Jeff Bingaman (D-NM) -- founder
5) Tim Johnson (D-SD) -- founder
6) Richard Lugar (R-IN)
7) Paul D. Wellstone (D-MN)
8) **Jesse Helms (R-NC)**

Contact: Jaime Steve, American Wind Energy Assn., 202-383-2500

#

Previous Events:
May 21, 1998 -- Announcement of Caucus creation at the Third annual Renewable Energy Expo and Ice Cream Social.

Geographic breakdown: 8 States.
CO, IN, NE, MN, NC, NM, SD, VT.

Organizations Supporting the
Senate Renewables and Efficiency Caucus

American Biofuels Association
American Energy Crop Association
American Solar Energy Society
American Wind Energy Association
Biomass Energy Alliance
Clean Fuels Development Coalition
Geothermal Energy Association
National Bioenergy Industries Assn.
National Hydropower Association
Passive Solar Industries Council
Solar Energy Industries Association
Utilitity PhotoVoltaic Group
National Hydrogen Association
United BioEnergy Commercialization Assn.
Union of Concerned Scientists

VA-HUD-Independent Agencies Appropriations Climate Change Language

- The VA-HUD-Independent Agencies Appropriations Subcommittee's bill includes language that represents anti-environmental extremism at its worst. The broadly written language could be read to impede the Administration's ability to develop domestic programs and policies that serve the American public -- by increasing our energy efficiency as we seek to meet the challenge of global climate change.

- Specifically, the language seeks to limit the Administration's ability to "carry out education" on climate change. The American people want and deserve a fair and accurate debate on the issue of climate change. A fair debate is only possible if the Administration can provide the American people with accurate and scientifically-based information on the challenges the nation faces.

- Further, this language could preclude the Administration from continuing successful private/public partnerships that decrease energy costs for American families and businesses, increase our economic competitiveness, lower our dependence on foreign oil, and protect our environment through improved air quality and reduced emissions of greenhouse gases.

- The effort to promote energy efficiency has been a long standing priority of this and previous administrations, and has enjoyed bipartisan support in Congress. In October 1992, the Senate ratified the Framework Convention on Climate Change which the Bush Administration had agreed to several months earlier in Rio, formally endorsing the goal of limiting our greenhouse gas emissions.

- It is clearly in our interest to move forward on pro-environment, pro-business, pro-consumer measures to promote energy efficiency. This language ignores what is in the best interests of America -- increasing our energy efficiency and a fair and honest debate on the issue of climate change.

LEAGUE OF CONSERVATION VOTERS

1707 L Street, NW
Suite 750
Washington, DC
20036
202-785-8683
Fax: 202-835-0491
E-Mail: lcv@lcv.org
Internet: http://www.lcv.org

June 9, 1998

United States Senate
Washington, DC 20510

Re: Energy and Water Appropriations - support renewable energy programs.

Dear Senator:

The League of Conservation Voters (LCV) is the bipartisan political arm of the national environmental movement. Each year, LCV publishes the *National Environmental Scorecard*, which details the voting records of Members of Congress on environmental legislation. The *Scorecard* is distributed nationwide to LCV members, concerned voters and the press.

Soon you will be voting on the FY 1999 Energy and Water Appropriations bill, which cuts funding for the Department of Energy's (DOE's) renewable energy programs. LCV urges you to support an amendment to be offered by Senators Jeffords (R-VT) and Roth (R-DE) that would increase funding for these programs, which are critical to achieving a clean, affordable, energy future.

Increased funding for DOE's renewable energy programs will help curb energy-related pollution and reduce our reliance on imported oil. Currently, energy use and production is the largest source of pollution in the United States. Fossil energy use and production alone are responsible for more than 95% of air pollution and most emissions of greenhouse gases, while commercial nuclear power plants produce the vast majority of radioactive waste. Our reliance on imported oil also has led to a burgeoning trade deficit and missed economic opportunities for the U.S. economy.

Renewable energy sources such as solar, wind, geothermal and biomass will reduce energy-related pollution and help curb the production of radioactive wastes. DOE's renewable programs are essential to achieving these goals and increasing the U.S. market share of these technologies.

LCV's Political Advisory Committee will consider including votes on the Energy and Water Appropriations bill in compiling LCV's *1998 Scorecard*. Thank you for your consideration of this issue. For more information, please call Betsy Loyless in my office at 202-785-8683.

Sincerely,

Deb Callahan

Deb Callahan
President

Potential Sponsors of Floor Action

I. Energy and Water

HOUSE: Salmon (R-AZ), Greenwood (R-PA)

SENATE: Jeffords (R-VT), Roth (R-DE)

II. Interior

HOUSE: Parker (R-MS), Fox (R-PA), Sanders (I-VT), Davis (R-VA), Rivers (D-MI), Gutierrez (D-IL), Pallone (D-NJ)

SENATE: Bingaman (D-NM)

III. VA-HUD

N/A

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

May 14, 1998

MEMORANDUM TO THE DIRECTOR
DEPUTY DIRECTOR

FROM: Charles Kieffer

SUBJECT: Senate Appropriations Committee Action on FY 1999 302 (b) Allocation

On May 14th, the Senate Appropriations Committee approved (26-1) an "interim" 302 (b) allocation for FY 1999 based on the Senate-passed budget resolution. Chairman Stevens hopes to mark up four bills in Committee on June 4th (Defense, Military Construction, Legislative Branch and Energy and Water) and three more on June 11th (Treasury/Postal, Agriculture and perhaps Transportation).

The allocation (attached) provides Defense funding at roughly the President's request for budget authority, about 1% above FY 1998 enacted. Non-defense budget authority is at a level $9 billion (4%) below the gross request and less than 1% above FY 1998. The Violent Crime Reduction Trust Fund is funded at the request, about 6% above FY 1998.

In addition to the allocation, the Committee approved an emergency contingency fund of $2.25 billion for Y2K costs. This was done at the request of Senator Bennett, who is heading up the Senate Special Committee on Y2K. The intent is to include the $2.25 billion in the Treasury/Postal bill, subject to a Presidential emergency designation, and agreement on an allocation of the funds among the Federal agencies (including Defense). The House has not blessed this approach. Given that we have about $1.1 billion in the FY 1999 request for Y2K, if this approach is pursued, it would increase total discretionary spending. We will need to discuss implications for "spending the surplus".

Compared to FY 1998 budget authority:
the major winners in the allocation are:

- Legislative Branch (+6%)
- Commerce/Justice/State (+3%)
- Treasury/Postal (+2%)
- Energy and Water (+2%)
- Labor/HHS/Ed (+2%)

and the major losers (cuts below FY 1998) are:

- DC (-41%)
- Military Construction (-8%)
- Foreign Operations (-4%)
- Agriculture (-2%)
- VA/HUD (roughly a freeze).

Compared to the President's request for budget authority,

the major winners are:

Military Construction (+9%)
Transportation (+3%)
Energy and Water (+1%)

the major losers are:

Foreign Ops (-10%)
Interior (-5%)
Treasury/Postal (-5%)
Commerce/Justice/State (-4%)
Labor/HHS/Ed (-3%)
VA/HUD (-1%)

A few highlights follow:

Agriculture - proposed increases for WIC participation, Food Safety and FDA will be difficult to accomplish unless they either consider proposed food safety and FDA user fees (unlikely) or they go after mandatory savers.

Commerce/Justice State - $1 billion increase above 98 provided for Census and for DC corrections (moved from DC). Commerce likely to take it on the chin in order to fund our proposed Justice increases.

Defense - $.5 billion cut from request in order to increase Mil Con allocation. Allocation appears to assume that CBO will fix about 2/3 of CBO/OMB outlay differential.

District of Columbia - Only $10 million cut from request so it appears possible that much of economic development initiative could be funded.

Energy & Water - About a $400 million BA add was included for the Corps in order to continue the funding for all the unrequested new starts in the FY 1998 Act. Not clear if that is enough to fund more new starts in FY 1999. Defense funding cut modestly below the request but there still is a $.4 billion increase above FY 1998 for Domenici's Atomic Energy Defense issues.

Foreign Operations - a $600 million (4%) cut from FY 1998 and $1.4 billion below the request. Treasury MDBs, GEF and NIS will get large cuts from the request.

Interior - If you do not include the one-time land acquisition fund, the FY 99 level is slightly above the FY 1998 level. While this will likely result in modest increases for the National Park Service it does not leave room for proposed large increases for Energy Conservation or BIA. New initiatives such as the millennium project are in jeopardy.

Labor-HHS-Educ - The $1.5 billion increase over FY 1998 will take care of NIH and Special Ed. Everything else is frozen or cut unless we find ways to grow the box.

Legislative Branch - Amazing in this allocation that they could provide room for a 6% increase.

Military Construction - While they will sell this as a $.7 billion cut from FY 1998 it will be a $.7 billion increase over the request for special projects.

Transportation - More information is needed. This would appear to assume level funding for Surface Transportation programs in order to put pressure on the ISTEA conferees to finance increases from mandatory sources while providing about $.4 billion more in BA for FAA, Coast Guard and other purposes.

Treasury, General Government - The $200-300 million increase over FY 1998 will fund new courthouse construction. The proposed $550 million (7%) increase for IRS will not happen (more likely a freeze) unless funds come from the Y2K emergency contingency account.

VA/HUD - Close to request in total but no funds provided to backfill the $2.3 billion assisted housing rescission from the disaster supplemental. Clerks (on a bipartisan basis) are assuming "the leadership" will provide "relief" later in the process. National Service likely to be frozen and HUD initiatives not funded in order to fund HUD special projects and elderly and disabled housing. No extra funding to handle the rest of the FEMA Disaster Relief shortfall.

FY-15

DISCRETIONARY PROPOSALS BY APPROPRIATIONS SUBCOMMITTEE -- SENATE 302(B) ALLOCATION

(in millions of dollars)

14-May-98
05:11 PM
BRB:ELR
G:\99FRIRPT\DISCUM\S_302_B.wk4

Appropriations Subcommittee	FY 1998 Enacted		FY 1999 Proposed		Senate 302(b) Allocation		Difference: Senate 302(b) Allocation less FY 1999 Proposed	
	BA	OL	BA	OL	BA	OL	BA	OL
Defense Discretionary								
Commerce, Justice, State and the Judiciary	265	347	336	326	335	326	(1)	---
Defense	247,326	243,163	250,763	245,042	250,220	245,000	(543)	(42)
Amendments (Emergency) for Bosnia/Southwest Asia	N/A	N/A	(1,859)	(1,451)	N/A	N/A	N/A	N/A
Energy and Water Development	11,680	11,655	12,298	11,787	12,100	11,772	(198)	(15)
Military Construction	9,184	9,524	7,779	9,046	8,484	9,110	705	64
Transportation	300	300	309	307	300	300	(9)	(7)
Veterans Affairs, HUD, Independent Agencies	131	139	131	127	131	127	---	---
Unallocated ▒u2▒	---	---	27	31	---	---	(27)	(31)
Total, Defense Discretionary Spending	**268,886**	**265,128**	**271,643**	**266,666**	**271,570**	**266,635**	**(73)**	**(31)**
Non-Defense Discretionary, Excluding Crime								
Agriculture and Rural Development	13,944	14,449	13,672	13,796	13,675	14,075	3	279
Commerce, Justice, State and the Judiciary	25,660	24,777	27,660	27,191	26,300	25,825	(1,360)	(1,366)
Defense	27	27	27	27	26	26	(1)	(1)
District of Columbia	823	823	492	480	482	468	(10)	(12)
Energy and Water Development	9,000	8,991	8,645	8,575	9,047	8,900	402	325
Foreign Operations	13,192	12,959	14,003	12,639	12,600	12,400	(1,403)	(239)
Interior and Related Agencies	13,725	13,733	14,032	14,216	13,300	13,800	(732)	(416)
Labor, HHS, and Education	80,620	75,692	84,379	80,490	82,175	80,100	(2,204)	(390)
Legislative	2,268	2,299	2,467	2,462	2,400	2,300	(67)	(162)
Transportation and Related Agencies	12,321	37,411	12,333	38,506	12,765	39,200	432	694
Treasury, Postal Service, and General Gov't	12,621	12,560	13,443	13,097	12,825	11,800	(618)	(1,297)
Veterans Affairs, HUD, Independent Agencies	69,410	80,508	70,510	80,041	69,855	80,653	(655)	612
Unallocated	---	---	3,222	3,218	---	---	(3,222)	(3,218)
Subtotal, NDD, Excluding Crime Spending	**253,611**	**284,229**	**264,885**	**294,738**	**255,450**	**289,547**	**(9,435)**	**(5,191)**
Designated Offsets - Funds for America	---	---	(5,823)	(5,823)	---	---	5,823	5,823
Designated Offsets - Emergency Discretionary	---	---	(2,424)	(2,424)	---	---	2,424	2,424
Total, NDD, Excluding Crime Spending	**253,611**	**284,229**	**256,638**	**286,491**	**255,450**	**289,547**	**(1,188)**	**3,056**

14-May-98
05:11 PM
BRB:ELR
G:\99FRIRPT\DISCUM\S_302_B.wk4

DISCRETIONARY PROPOSALS BY APPROPRIATIONS SUBCOMMITTEE -- SENATE 302(B) ALLOCATION

(in millions of dollars)

Appropriations Subcommittee	FY 1998 Enacted		FY 1999 Proposed		Senate 302(b) Allocation		Difference: Senate 302(b) Allocation less FY 1999 Proposed	
	BA	OL	BA	OL	BA	OL	BA	OL
Violent Crime Reduction								
Commerce, Justice, State and the Judiciary	5,225	3,171	5,524	4,697	5,524	4,688	---	(9)
Labor, HHS, and Education	144	97	144	133	144	136	---	3
Treasury, Postal Service, and General Gov't	122	79	132	123	132	129	---	6
Total Violent Crime Reduction Spending	**5,491**	**3,347**	**5,800**	**4,953**	**5,800**	**4,953**	---	---
Total Discretionary								
Agriculture and Rural Development	13,944	14,449	13,672	13,796	13,675	14,075	3	279
Commerce, Justice, State and the Judiciary	31,150	28,295	33,520	32,214	32,159	30,839	(1,361)	(1,375)
Defense	247,353	243,190	250,790	245,069	250,246	245,026	(544)	(43)
District of Columbia	823	823	492	480	482	468	(10)	(12)
Energy and Water Development	20,680	20,646	20,943	20,362	21,147	20,672	204	310
Foreign Operations	13,192	12,959	14,003	12,639	12,600	12,400	(1,403)	(239)
Interior and Related Agencies	13,725	13,733	14,032	14,216	13,300	13,800	(732)	(416)
Labor, HHS, and Education	80,764	75,789	84,523	80,623	82,319	80,236	(2,204)	(387)
Legislative	2,268	2,299	2,467	2,462	2,400	2,300	(67)	(162)
Military Construction	9,184	9,524	7,779	9,046	8,484	9,110	705	64
Transportation and Related Agencies	12,621	37,711	12,642	38,813	13,065	39,500	423	687
Treasury, Postal Service, and General Gov't	12,743	12,639	13,575	13,220	12,957	11,929	(618)	(1,291)
Veterans Affairs, HUD, Independent Agencies	69,541	80,647	70,641	80,168	69,986	80,780	(655)	612
Designated Offsets - Funds for America	---	---	(5,823)	(5,823)	---	---	5,823	5,823
Designated Offsets - Emergency Discretionary	---	---	(2,424)	(2,424)	---	---	2,424	2,424
Unallocated	---	---	3,250	3,250	---	---	(3,250)	(3,250)
Y2K Emergency Contingency Reserve	---	---	---	---	2,250	N/A	2,250	N/A
Total, Discretionary Spending	**527,988**	**552,705**	**534,082**	**558,110**	**535,070**	**561,135**	**988**	**3,025**

---

1 FY 1998 Enacted and FY 1999 Proposed include transfers and technical re-estimates included in the FY 1999 Budget.

2 FY 1999 Budget includes allowance of $3,250 in budget authority and outlays for emergencies, including unforeseen defense and non-defense costs, natural disasters, and unanticipated non-emergency expenses of the year 2000 computer conversion.

3 The conversion of obligation limitations to budget authority for programs in the Transportation Department is contingent upon consultation with Congress. FY 1998 and FY 1999 budget authority has been adjusted downward by $27.7 billion and $28.3 billion, respectively, for comparability purposes.

White House Climate Change Task Force

734 Jackson Place, N.W. • Washington, DC 20503

facsimile

TRANSMITTAL

TO: Martha F / Roger B	**FROM:** Julie
OFFICE:	**DATE:**
FAX NUMBER:	**202/395-2342**
OFFICE NUMBER:	

NUMBER OF PAGES (EXCLUDING COVER)

IF TRANSMITTAL IS INCOMPLETE PLEASE CALL THE ABOVE NUMBER.

MESSAGE/COMMENTS:

① Talking Pts from AID on the notification requirements. AID has sent them to Byrd/Leahy/Lieberman. ② Proposed language that AID is floating w/ Hagel/staff. No response yet.

Proposed New Section 572(a)

New language underscored.
Deleted language bracketed.

Funds made available in this Act for activities not previously justified to the Committees on Appropriations to support programs or activities promoting country participation in the Framework Convention on Climate Change or climate change activities in the energy, industry, urban, land use (primarily forestry, biodiversity, and agriculture) sectors [and activities that reduce vulnerability to climate change] shall only be made available subject to the regular notification procedures of the Committees on Appropriations.

TALKING POINTS ON CLIMATE CHANGE NOTIFICATION (SECTION 572(A) of S2334)

- Section 572 represents micro management and adds an additional layer of bureaucratic reporting on the Department of State and the U.S. Agency for International Development for many of their environmental programs that the Senate has long supported.

- The notification requirement could potentially bring to a stand still all USG supported activities that relate to reducing green house gas emissions in foreign countries, in spite of the proven successes for the environment and U.S. business interests of these projects.

- Section 572 could severely preclude such vital work as promoting privatization and energy efficiency in the former Communist bloc countries, protecting the rain forest in Brazil and Indonesia and saving endangered plant and animal species in Africa.

- This notification requirement goes beyond the bounds of the accepted notification procedures. In fact, all projects, under current statutory notification requirements, must be notified before the initial funding may be obligated. This provision would require an ongoing project that has already successfully completed the notification process, to go through again, if it needed FY 99 funding to continue or complete the activity.