



Chairman Mike Simpson

*Subcommittee on Energy and Water Development and
Related Agencies, House Committee on Appropriations*

FY 2016 Budget Hearing - Environmental Management Programs March 18, 2015 Opening Statement As Prepared

I'd like to call this hearing to order. Good morning, everyone.

We have before us today David Klaus, the Deputy Undersecretary for Management and Performance and Mark Whitney, the Acting Assistant Secretary for Environmental Management. This is the first time both of you have testified before this subcommittee and we appreciate you being here today. While the subject of this hearing is the budget request for the Office of Environmental Management, this hearing will also provide Members of the Subcommittee an opportunity to discuss issues of management and performance on a department-wide basis.

The budget request for the Office of Environmental Management totals \$5.8 billion, \$63.8 million, or 1.1%, below the fiscal year 2015 enacted level. I don't include in those figures the \$472 million requested for a federal contribution into the Uranium Enrichment Decontamination and Decommissioning Fund. The budget request incorrectly counted this contribution as part of the Defense Environmental Cleanup appropriation, though the Congress directed how to account for these costs in a transparent manner in the Fiscal Year 2015 Act. Continuing to count these funds as part of the funding for Defense Environmental Cleanup creates confusion and masks the overall funding levels provided to those sites.

The Department of Energy is facing some very difficult challenges in its cleanup program this year. Transuranic waste programs are essentially running in place or were stopped altogether following the shutdown of the Waste Isolation Pilot Plant. While the Department has set ambitious goals to get that facility operating in fiscal year 2016, there are significant hurdles to overcome to meet this timeline. Meanwhile, relations with many of the states are at an all-time low as milestones, previously promised, will no longer be met. The path to resolution is unclear and funding will not be available to make up for the Department's management and performance failures.

Fortunately, there have been modest gains and project management has been a focus area for this Secretary. Nevertheless, whether these efforts will lead to demonstrable improvements in performance is unclear. Of the 29 projects in the \$52 billion project portfolio managed by the Office of Environmental Management, nine of those projects, estimated to cost \$20.7 billion to complete, are considered "in the red" and will not be completed within current estimates. Restoring confidence in the Department's ability to deliver on its commitments will be necessary before progress can be made on renegotiating the numerous cleanup agreements that must be modified over the next several years.

Please ensure that the hearing record, responses to the questions for the record, and any supporting information requested by the Subcommittee are delivered in final form to us no later than four weeks from the time you receive them. I also ask Members to submit any additional questions for the record to the Subcommittee by close of business tomorrow.

With those opening comments, I would like to yield to our ranking member, Ms. Kaptur, for any opening comments that she would like to make.

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