



U.S. HOUSE OF REPRESENTATIVES COMMITTEE ON  
**SCIENCE, SPACE, & TECHNOLOGY**

---

## Opening Statement

**Chairman Bill Foster (D-IL)**  
**of the Subcommittee on Energy**

Joint Investigations & Oversight and  
Energy Subcommittee Hearing:  
*Judicious Spending to Enable Success at the Office of Nuclear Energy*

October 21, 2021

Good morning to our witnesses and thank you for joining us for our oversight hearing on the Office of Nuclear Energy, or NE. I'm also pleased to partner with Chairman Bowman and Ranking Member Weber for our first joint Subcommittee hearing.

NE has enjoyed broad bipartisan support from Congress, and the House Science Committee in particular, for many years. We endowed NE with new authorizations and opportunities in the bipartisan Energy Act of 2020, and we are working now to provide even more tools and funding for DOE nuclear activities in both the Bipartisan Infrastructure Framework and the Build Back Better Act. I hope, though, that no one will mistake this support for NE for a free pass around the contract award procedures, project management protocols, and basic accountability measures for which the Department of Energy is widely held in high regard.

In particular, we are concerned about NE's procedures in issuing three major awards to private companies over the last couple of years. All three were made on a non-competitive basis. One of them was \$92 million, another one was for \$115 million, and the third was for \$1.35 billion. \$1.35 billion represents almost a full fiscal year's budget for the entire Office of Nuclear Energy. Awards of this size should merit painstaking due diligence and scrutiny even if they had been competitive. To spend this kind of money on a sole-source basis, DOE's justifications should have been rock solid. But we haven't seen that. The justifications for non-competitive spending for each award were inadequate, inconsistent, and opaque to Congress and the public.

As a member of Congress, I can go into the SCIF in the basement of Forrestal and discuss the design details of our nuclear warheads. As a member of the Financial Services Committee, during the financial crisis, we were getting near-real-time reports on the capital positions of giant banks as they teetered on insolvency. Elsewhere in DOE, I can get details on the contracting procedures that were used. It is crucial that going forward, NE is held to the same standard for transparency with Congress, and we appreciate their steps toward that end.

Now, this Committee understands that Congress and DOE leadership are asking a lot of NE. DOE needs to help demonstrate advanced nuclear technologies by the end of the decade in order to make a meaningful contribution to climate change before 2050. We don't have a lot of time to reduce emissions in order to avoid catastrophic warming. New and existing nuclear reactors are two of our most powerful weapons here.

We are also in a race against foreign competitors who would like to take up the mantle as global leaders in nuclear energy. China, Russia, and South Korea see an economic opportunity in technology exports, and they would like for their designs to dominate the market. To answer this challenge, we need to be investing wisely in research, design, licensing and deployment, and making full use of the world-class resources at our National Labs.

But in any event, NE's skipping competition and waiving the normal project management and contracting guardrails will not help nuclear in the long term. The last thing the nuclear industry needs are new suspicions about political cronyism, secrecy, haste, or waste. We need to build confidence in the industry so that climate tech investors and utility off-takers come to the table. We need to cultivate trust with ratepayers and communities who will be served by new advanced reactors. We need the Nuclear Regulatory Commission to act promptly and transparently, and if projects deserve it, to give these demonstration projects a gold star. In short, NE needs a sterling reputation, and the only way to get it is to earn it. NE must return to the basics for "good governance" in federal spending: transparency, maximizing competition, establishing milestones and metrics for accountability, and avoiding risky contracting vehicles.

Dr. Huff, it's a pleasure to have you before the Committee. We are all aware that you did not join the Department until May of this year. All three of the awards we examined were approved under previous leadership, and only one of them was finalized early on your watch. We won't ask you to speculate about every decision made by your predecessors, but we do expect Congressional staff, as well as our partners at the GAO and IG offices, to have full access to whatever records of decision exist.

And we will ask you to commit to a new game plan for accountability, one that spans Administrations and will permeate the culture of NE. I know that the Department of Energy is capable of this, because we see it in other offices. I appreciate the interactions you've had with Committee staff in recent weeks about your intentions to correct course, and I'm looking forward to getting those sentiments on the record.

I also want to make clear that our hearing today is not about attacking the winners of the non-competitive awards or the projects themselves. We have reviewed the value propositions for each projects, and on a bipartisan basis we find them laudable. But execution is key. DOE has already made several spending commitments on these projects and we do not want to see a dime of waste going forward. In particular, we will have continuing questions about the \$1.4 billion award to the Carbon Free Power Project, which is only one year into a ten-year agreement.

Thank you.