

SAMUEL W. BODMAN NOMINATION

HEARING
BEFORE THE
COMMITTEE ON
ENERGY AND NATURAL RESOURCES
UNITED STATES SENATE
ONE HUNDRED NINTH CONGRESS
FIRST SESSION
TO
CONSIDER THE NOMINATION OF SAMUEL W. BODMAN TO BE
SECRETARY OF ENERGY

JANUARY 19, 2005



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SAMUEL W. BODMAN NOMINATION

WEDNESDAY, JANUARY 19, 2005

U.S. SENATE,
COMMITTEE ON ENERGY AND NATURAL RESOURCES,
Washington, DC.

The committee met, pursuant to notice, at 2:30 a.m. in room SD-366, Dirksen Senate Office Building, Hon. Pete V. Domenici, chairman, presiding.

OPENING STATEMENT OF HON. PETE DOMENICI, U.S. SENATOR FROM NEW MEXICO

The CHAIRMAN. The committee will please come to order.

While some Members are not present now, I would just call the committee to order and thank you all for coming. This is the first hearing of the committee in the 109th Congress, so I want to take a few moments and make comments about the five new Members and welcome them to the committee—Senator Allen, who is not here, we welcome him; Senator Burr, new Senator on our side; Senator Corzine, on the Democrat side; Senator Martinez from Florida; and Senator Salazar from my neighborhood—Senator Bingaman and my neighboring State of Colorado. We welcome you. Those of you who are here, we welcome you.

I think we should start off by saying, to the new Members—and make sure the record is straight—that this committee has a remarkable history of producing much legislation for many parts and many activities of the Government. We passed more bills last year that dealt with American issues than any committee in the Senate, and we almost got every bill that we reported through the Senate and passed as laws. A few were hung up at the end, though. We will get them done. That is done when we work together. I am very proud of the production that takes place. I think it is true that this cooperation results in productivity, and I am hopeful that it will apply to the energy bill this year.

We can accept responsibility for the fact that it was not done in a bipartisan way last year, as least as bipartisan as it could have been. Senator Bingaman, it is my hope that we can alleviate that problem. I hope so, because I believe, as I've discussed with you, that the energy crisis is bigger than our parties, and probably much bigger than this committee, and we ought to be able to contribute to its solution.

Now, we'll move quickly to the nominee. Dr. Bodman, we welcome you to the committee for the hearing to consider your nomination to be the Secretary of the Department of Energy. The rules of the committee apply, as they do to all nominations, and you are

required to do a few things right now—first, that you be sworn in, in connection with your testimony. So would you please rise and raise your right hand?

Do you solemnly swear that the testimony you are about to give to the Senate Committee on Energy and Natural Resources shall be the truth, the whole truth, and nothing but the truth?

Dr. BODMAN. I do.

The CHAIRMAN. Please be seated.

Before you begin your statement, I will ask you three questions that are asked regularly of nominees. One, will you be available to appear before this committee and other committees of the Congress to represent the Department's position and respond to issues of concern to the Congress?

Dr. BODMAN. I will.

The CHAIRMAN. Are you aware of any personal holdings, investments, or interests that could constitute a conflict or create the appearance of such a conflict should you be confirmed and assume the office to which you have been nominated by the President?

Dr. BODMAN. All of my personal assets have been reviewed, sir, both by myself and by appropriate ethics counselors within the Federal Government, and I have taken appropriate action to avoid any conflicts of interest.

The CHAIRMAN. Are you involved or do you have any assets that are held in blind trusts?

Dr. BODMAN. Yes, sir, I do.

The CHAIRMAN. Now, we will make note of that.

Dr. Bodman, I want to thank you for your willingness to serve our President and our country. You have been very successful in the private sector, and I have heard good reports of your tenure at the Departments of Commerce and Treasury. You appear to me to be the sort of dedicated, success-oriented person that we need in this Government and in this Department, and you certainly have a background, in terms of education and experience, that bodes well for your success and the Department's success.

Because of your experience in the past several years as Deputy Secretary at both Commerce and Treasury, I know you are aware of the magnitude of the position for which you are being considered. I commend you for being willing to undertake this extremely important responsibility. The issues you will have to address are extremely important to the individual states of every Senator here, and certainly of our United States. If you are confirmed, I encourage you to work closely with each of us as you consider and develop the Department's policies on energy and otherwise.

Now, having said that, I certainly want to yield to Senator Bingaman for some opening remarks. And unless Senators feel absolutely compelled to have opening statements, in which event I will certainly permit it, we would like to move on to questions so that we will not be here too late.

[The prepared statements of Senators Akaka, Alexander, Cantwell, Landrieu and Talent follow:]

STATEMENT OF HON. DANIEL K. AKAKA, U.S. SENATOR FROM HAWAII

Mr. Chairman, thank you for promptly scheduling this hearing to confirm a new Secretary of Energy. The sooner we confirm Dr. Bodman as the Secretary of Energy, the sooner he can begin work on this new and challenging assignment.

I am pleased that the President has nominated Dr. Bodman to be the Secretary of Energy. Dr. Bodman has a remarkable background that spans engineering and academia, the corporate boardroom, financial services, and public service including the Departments of Commerce and Treasury. Dr. Bodman, I commend you for accepting the challenge of running the Department of Energy. It is one of the most challenging jobs in the Federal government.

As a member of this Committee and as a member of the Senate Armed Services Committee, I look forward to working with you on all aspects of the operations of the Department.

Dr. Bodman, as you know, our nation has suffered the impact of high energy prices for the last four years. Some areas of the country have suffered more than others. Hawaii has borne the brunt of having to pay high energy prices for over 20 years. For most of the 1990s, the average Honolulu gasoline price, based on a weekly survey, hovered at roughly 25 cents to 50 cents above the national average. Electricity also costs more to produce in Hawaii. The average cost to a consumer of a kilowatt hour in Hawaii is more than double that of the U.S. average. Residential customers in Hawaii paid an average of 23 cents per kilowatt hour in January 2005!

One of the major challenges facing our nation is to stabilize our energy prices and ensure that Americans enjoy reasonable and affordable energy prices. We have not had a coherent and comprehensive energy policy for a long time, and we need a energy policy crafted in a bipartisan manner. Additionally, we have not had a serious commitment to address our dependence on foreign sources of oil. Hawaii depends on oil for over 90 percent of our energy production. If we are to have a comprehensive energy policy that strengthens our economy and serves the real needs of Americans, then we need to dismantle our dependence on foreign oil as soon as possible. The absence of an effective policy and a visible commitment to addressing our energy dependence has made us captive to OPEC's production decisions and led to other problems. I look forward to working with you to promote renewable energy solutions that can be found readily in the Pacific and other remote areas that need to develop self-sufficient sources of energy.

I believe the way to improve our energy outlook is to adopt energy conservation, encourage energy efficiency, and support renewable and alternative energy programs. Above all, we must develop energy resources that diversify our energy mix and strengthen our energy security. I hope that you will be a strong advocate for advanced fuel carriers such as hydrogen, and renewable fuels such as biomass conversion, that can potentially alleviate some of our dependence on foreign oil. I look forward to working with you on these initiatives.

I noted your leadership, while Deputy Secretary of Commerce, of the Department's climate research program. As you may know, Hawaii and Pacific islands face many problems related to the accumulation of carbon dioxide in the atmosphere, one of the factors that promotes climate change and is linked to sea level rise. I hope that as the Secretary of Energy you will see the importance of including carbon dioxide emissions monitoring and control as an integral part of an energy policy. Additionally the Department of Energy needs a strong climate change research program, with the ability to model regional and subregional changes that will affect us.

This is only one of the challenges faced by the Department. There are other varied and complicated issues as well. Securing nuclear waste or used nuclear sources is a monumental problem. The U.S. needs an aggressive and effective program to contain and dispose of low level and Greater Than Class C, or GTCC, radioactive sources. The GTCC sources are the most frequently mentioned of the sources for so-called "dirty bombs" for terrorists. With heightened need for national security, I am sure you would agree with me that programs and facilities for disposal are of the utmost importance.

The Department of Energy needs an effective leader who can promote sustainable energy policy and build consensus. Should you be confirmed, Dr. Bodman, I look forward to working with you on the challenges facing the Department of Energy.

STATEMENT OF HON. LAMAR ALEXANDER, U.S. SENATOR
FROM TENNESSEE

Dr. Samuel Bodman is an excellent choice to become the new Energy Secretary. His education, experience and management credentials provide a strong foundation for leading one of the nation's most important and complex organizations. I am grateful for his willingness to answer President Bush's call to lead the department and seek this committee's confirmation.

Our nation's energy policy has reached a major crossroads. If we continue down the current path, we will continue to depend on foreign sources of energy, prices will

continue to rise, and our environment will continue to be polluted. High energy prices and polluted air pose threats to American jobs and our health.

We can choose another path. Unlike some issues we face here in Washington, there are some relatively clear solutions to our energy problems—solutions driven by advances in science and technology, American ingenuity and a healthy dose of common sense.

President Bush has repeatedly challenged Congress to enact a comprehensive energy policy. Despite the best efforts of Chairman Domenici and others, we have so far failed to act. Both energy and clean air legislation have been bogged down in the Senate.

Looking ahead to this Congress, I intend to work hard with Chairman Domenici and Senator Bingaman to enact bipartisan clean energy legislation. I also look forward to working with Senator Dorgan, the new ranking member of the Senate Subcommittee on Energy, in a bipartisan manner. Clean energy and clean air are absolutely linked, and so I also intend to continue to be active in the clean air debate.

The Department of Energy has a critical role in providing leadership on energy and environmental policy. I am interested to hear today what Dr. Bodman's vision is for the Department. I hope he will:

1. *Actively support our national laboratories.* According to the National Academy of Sciences, nearly half of our nation's economic growth since World War II can be attributed to advances in science and technology. We cannot take our leadership role in this area for granted; our best secret weapon for job-growth is our national laboratories, university and industry research institutions. We must continue to invest in research that fuels technological advances at institutions like the Oak Ridge National Laboratory in Tennessee.

This means increasing fundamental research in the physical sciences leading to next generation materials such as superconductors capable of carrying considerably more electricity with less loss. Energy legislation approved in both the House and Senate last year contained language to authorize a doubling in funding for the Department of Energy's Office of Science.

Supporting national labs also means investing in clean energy technologies such as hydrogen and fusion energy and establishing world-class computational tools capable of modeling such diverse things as molecular interactions and global climate change. To that end, in 2004 the president signed legislation authorizing DOE to pursue "Leadership Computing in the Department of Energy." With bipartisan support, Congress appropriated additional funds in both FY-2004 and FY-2005 to fund this project. The department should also continue to develop and operate world-class user facilities such as the Spallation Neutron Source, a facility which lays the foundation for the long-articulated but elusive dream of creating "materials by design" creating a new form of metal or plastic, for example, for some specific purpose.

2. *Actively advocate nuclear energy and practical solutions to nuclear waste storage.* Nuclear power-plants generate 20 percent of the nation's electricity but nearly 70 percent of the "emissions-free" electricity produced annually in this country. I am proud, as the Chairman of the TVA Congressional Caucus, that TVA is leading the way by restarting the Browns Ferry nuclear plant. In 2007, it will become the first new nuclear plant to come on-line in decades. TVA and other utilities should also be encouraged to develop advanced nuclear plants. We need to create the right policy environment so they can do so. On the issue of nuclear waste, DOE needs to take a clear position on the future of Yucca Mountain and stand behind it. TVA ratepayers have paid almost \$700 million into Yucca Mountain with no tangible return to date. This is equivalent to a 2-year rate increase of 8 percent—the same as the highly controversial TVA 2003 rate hike. Put another way, \$700 million is just under the cost of installing clean air technology at Kingston and Bull Run, the two coal-fired plants closest to the Great Smoky Mountains National Park.

3. *Support national policies that promote coal, but require coal plants to quickly install emissions control technology or utilize technologies such as coal gasification.* In the coming months, DOE has a critical role in the interagency review of the administration's clean air programs. While I support the President's framework for clean air, I support initiatives that go farther, faster than President Bush's plan. The vast majority of my state is in non-attainment with federal air quality standards, and the Great Smoky Mountains National Park is the most polluted national park in the country.

DOE has a clear choice: to encourage that the proposed Clean Air Interstate Rule be strengthened, weakened or remain the same. While legislation is the best answer and is being pursued by the Senate, I strongly encourage DOE to strengthen the Clean Air Interstate Rule as it goes through the interagency review process.

The nation also needs coal gasification to be commercialized as soon as possible. In addition to cleaning our own air, once commercialized, it can be deployed in other developing nations with growing energy demands such as China. DOE has a critical role in helping to bring this technology to the world marketplace.

Polluted air is the problem; clean energy is the solution.

4. *Provide leadership on the natural gas crisis—so manufacturing jobs stay here in the U.S.* In October 2004, I convened a round table of the largest employers in Tennessee representing about 750,000 Tennessee jobs—farmers, chemical companies, the automobile and hotel industries, and our universities—to discuss their growing concern about natural gas prices. During the last four years, U.S. natural gas prices have gone from the lowest in the industrialized world to the highest. Our farms and large industries were built to operate on \$2 to \$3 mmBtu natural gas prices. Today's price of \$6.50 shuts barns and could ship 1 million jobs in the chemical industry overseas. As a result, I intend to be very active legislatively on this issue. Addressing high natural gas prices is important to keeping our industries competitive so that manufacturing jobs stay in the United States. DOE and the Federal Energy Regulatory Commission should quickly license the new pipeline proposal from Alaska, support new and improved liquid natural gas and pipeline infrastructure and urge greater conservation of natural gas at home. DOE can help encourage a balanced discussion on natural gas supply issues.

Those are four priorities I hope Dr. Bodman will take on as Energy Secretary. We've found ourselves stalled at this energy crossroads for some time now. Getting America through it will require strong leadership. Once confirmed, I look forward to working with Dr. Bodman as he takes on these critical challenges.

STATEMENT OF HON. MARIA CANTWELL, U.S. SENATOR FROM WASHINGTON

Thank you, Mr. Chairman and Senator Bingaman. And thank you, Dr. Bodman, for being here today. I want to start by saying that I very much appreciated our opportunity to meet earlier this month to discuss in an informal setting the many Department of Energy (DOE)-related issues that are critical to my Washington state constituents. I am pleased that we were able to touch on a wide array of issues, ranging from cleanup of the Hanford Nuclear Reservation and policies impacting the Bonneville Power Administration (BPA), to the federal role in research and development at institutions such as the Pacific Northwest National Laboratory. I also appreciated the opportunity to discuss the continuing challenges Washington state consumers, utilities and businesses are facing as a result of the Western energy crisis of 2000-2001.

From our discussion, I know that you've begun to develop an appreciation for just how large DOE's "footprint" is in the State of Washington, and how much is at stake for our economy and environment when it comes to the many policy decisions you will make if confirmed as the next Secretary of Energy. It's a job that comes with a considerable number of challenges—but also, incredible opportunity. Putting in place a real, forward-looking energy policy for the 21st century is not only essential for this nation's economic security, it's my belief that it will fuel the next wave of innovation. It is critical for this country to take the technology lead in the energy sector. Otherwise, we will find ourselves in ten to twenty years in exactly the same position we do today as it relates to our dependence on foreign oil—we will be importing the next generation of energy technology. Instead, we need to seize the opportunity before us and recognize that it is the key to securing our nation's long-term energy independence.

Dr. Bodman, I have a number of questions for you on a variety of issues that—by nature of their diversity—further illustrate the tremendous responsibilities you will shoulder if confirmed.

As we've discussed, the Western market meltdown of 2000-2001 has had a profound impact on my state's economy, the pocketbooks and economic well-being of my constituents—too many of whom have had to make the choice between keeping their heat and lights on and buying food, paying rent, and purchasing prescription drugs. In some parts of Washington state, utility disconnection rates have risen more than 40 percent. People just can't pay their utility bills. So you can imagine, what we've seen and heard since the height of the crisis—as we've learned about the market manipulation and fraud that took place in the Western market, while Enron energy traders laughed about the plight of "Grandma Millie"—has added tremendous insult to substantial economic injury. Moreover, the Western crisis has brought to the forefront a number of very important policy questions about the kind of behavior that will be tolerated in our nation's electricity markets, as the Federal Energy Regulatory Commission (FERC) has continued to pursue its "restructuring" agenda.

As the Secretary of Energy, you would have a very important, leading role—defined in the 1977 Department of Energy Organization Act—in guiding overall electric regulatory policy. I want to make sure today that we are on the same page on some of these policies and principles.

First, we need strong leadership that will condemn the types of schemes used by Enron traders—manipulation tactics with infamous nicknames like Get Shorty, Death Star and Ricochet. We need to send a strong and unanimous message that these practices will not be tolerated in our nation's electricity markets. Next, we need to agree—as a matter of common-sense policy—that the victims of these schemes should not have to pay the inflated power prices resulting from market manipulation.

Dr. Bodman, you know that these are more than just “theoretical” concerns for me and my constituents. Not only are Western ratepayers trying to recover some small fraction of the money they lost to Enron as a result of its unscrupulous trading practices, they are trying to avoid paying even more. Right now, Enron is claiming utilities in Washington state and Nevada alone owe about a half billion dollars more—for power Enron never even delivered. You can understand just how outrageous this seems to my constituents, who are already struggling to pay their power bills.

Unfortunately, justice delayed is justice denied for Enron's victims. It has literally been years now, in which the ratepayers of my state—who have already suffered enough—have been waiting for the other shoe to drop.

Dr. Bodman, my understanding is that the Secretary of Energy has, under the DOE Organization Act, substantial discretion to intervene in matters pending before the Commission. There is also substantial precedent, as both Secretaries Richardson and Abraham have involved themselves in various ways in matters before FERC. I can understand why. I imagine that any Secretary would have a considerable interest in doing so, in ensuring that regulatory matters are being handled in a manner consistent with national energy policy. I hope that you agree that what I've outlined above—the scenario in which Enron is allowed to collect money for power never delivered, at outrageous rates resulting from market manipulation—is not in the public interest, and I hope it is not the energy policy endorsed by this Administration. I hope you will agree to work with me, to help my constituents in this matter if you are confirmed as the next Secretary of Energy.

I must also make a few remarks about the importance of Hanford cleanup to the residents of Washington state and the Pacific Northwest as a whole. Dr. Bodman, it's been my experience that achieving our mutual goal of an effective and efficient Hanford cleanup suffers when relationships between the states and DOE, the Congressional delegations and other stakeholders are damaged by the bad faith actions of one of the parties.

I know you are aware of what happened last year, when DOE-authored language related to the reclassification of high-level nuclear waste was inserted into the Fiscal Year 2005 Defense Authorization bill. This was done behind closed doors, in a Committee that is not the rightful forum for debate on the issue of high-level nuclear waste and how it should be treated and disposed of. This legislative end-run was viewed by me and Sen. Murray, as well as the State of Washington and many of our constituents, as an ill-considered attempt to take short-cuts at Hanford. I hope you will commit to me, Dr. Bodman, that DOE—under your leadership—would not attempt a similar backdoor maneuver. It does nothing but destroy trust on an issue in which trust has been a very scarce commodity.

Dr. Bodman, as the next Secretary, you would be our nation's chief energy policy-maker. As my colleagues on this Committee know, the general direction of our nation's energy policy is a topic on which I've been known to offer an opinion or two. But for purposes of my remarks this afternoon, I simply want to welcome you, and will focus my questions today on a few of the many issues on which I hope we can work together.

STATEMENT OF HON. MARY L. LANDRIEU, U.S. SENATOR FROM LOUISIANA

Mr. Chairman, this hearing takes place at a particularly crucial time for our nation's energy policy. Oil prices have been consistently over \$40 a barrel for the better part of a year and our country continues to face what appears to be a serious natural gas crisis problem.

For the past two Congresses we have been unable to put our differences aside in the country's interest and establish a national energy policy that is reflective of today's world and the role of the United States in it.

I had the opportunity to meet with Dr. Bodman a few weeks ago and believe his vast experience and knowledge in both the public and private sectors will be an asset to the country as well as the Department of Energy (DOE).

Dr. Bodman has proven his capability as a leader in his role as Deputy Secretary at two other Departments, Commerce and Treasury, as well as running a corporation for a number of years. These qualities will be critical in promoting the goals of DOE and establishing a new energy policy for our country.

The goals of DOE include:

- protecting our national security by applying advanced science and nuclear technology;
- protecting our national and economic security by providing world-class scientific research capability;
- protecting the environment through a responsible resolution to the nuclear waste generated from the cold war and
- finally protecting our national and economic security by promoting the delivery of an affordable, diverse, environmentally sound and reliable supply of energy.

One of the most important issues that Dr. Bodman will have to address is the growing imbalance in our nation's energy supply as reflected by what is happening in the natural gas sector. A consistent and strong presence from the Administration will be necessary for us to tackle this problem.

I commend the Chairman for starting this Congress off on a good note by organizing a conference focused solely on the issue of natural gas.

THE PROBLEM

The growing gap between demand and supply of natural gas did not develop overnight. Quite simply, we have pursued a policy that is in conflict with itself. On the one hand we encourage the use of natural gas in this country to meet our energy needs and environmental goals.

Of the new electric generating power either recently constructed or about to be placed in operation over the next few years, over 90% will be fueled by natural gas.

However, we continue to take the supply side of the equation for granted. Demand continues to increase in 2003 Americans used 22 trillion cubic feet (tcf) of natural gas and by 2025 consumption is expected to be 29 to 34 tcf, according to the Energy Information Administration but supply is not keeping up with demand. In fact, total U.S. domestic natural gas production is only expected to increase by less than half of the demand over the same period.

Presently, domestic production accounts for approximately 84% of our consumption with imports from Canada (14%) as well as LNG (2%) accounting for the remainder. With all indications that current domestic production is flattening out and Canada not likely to provide as significant a contribution as they have in the past some combination of increased production, conservation and imports will be required to make up the difference. It is our duty to lead the country toward a solution.

We simply cannot continue to put such a strain on one source of fuel. The implications to many of our states are too serious. For example, in Louisiana, industrial users of natural gas, such as the chemical industry, use natural gas not only as a fuel but also as a feedstock. High prices are translating into a loss of jobs.

WHAT CAN BE DONE?

Options

Provide tax incentives to build advanced nuclear and clean coal powered plants. Coal and nuclear energy today generate 70% of our electricity. However, over the past 30 years no new nuclear plants have been constructed in this country. Yet based on current consumption rates we have over 200 years domestic supply of coal at our disposal.

Establish a national renewable portfolio standard (RPS) for electric utilities to encourage the production of renewable sources of energy (wind, solar, et al.) which currently accounts for only 3% of total generation.

Expand production in the OCS. The OCS provides more than a quarter of our natural gas supply. Almost all of our OCS production (98%) comes from a very concentrated area of the OCS, the western half, which really means offshore Louisiana and Texas. Most of the Pacific Coast and Eastern Gulf of Mexico as well as the entire Atlantic Coast are off limits to exploration and production.

If we continue to honor these moratoria then we must also consider what it will take to maximize the gas currently being produced both offshore and onshore.

In addition, we must explore opportunities to find more unconventional gas onshore as well as explore whatever gas reserves exist in the deeper undiscovered waters of the Gulf.

Also, if six states are going to serve as the platform for almost 30% of the nation's supply then it is only fair to return some percentage of the revenues generated from that production back to these states in order to guarantee that this supply stream continues.

Importation of Liquefied Natural Gas (LNG) must also be part of this equation. Almost everybody seems to agree that LNG will play a significant role in the future of our domestic natural gas supply. The question is how significant and have we thoroughly considered all of the implications?

Those of us in the Gulf are starting to see a familiar pattern develop. While 30 plants have been proposed around the country the only ones that appear to be moving forward in reality are those on and off the coasts of Louisiana and Texas.

Also, while the supply of natural gas around the world may not be as concentrated in one area as oil (Persian Gulf) some of the most significant reserves are located in less than stable environments. Do we risk going down a path with LNG that is similar to our experience with oil?

The fact is, Mr. Chairman, I think there is much difficult work to be done in addressing what is emerging as a national crisis. I commend your decision to hold a conference next week on this subject so we can focus our attention in more detail. The situation requires leadership at the highest level.

I am confident and hopeful that Mr. Bodman will provide a significant contribution to this debate as we move forward.

STATEMENT OF HON. JAMES M. TALENT, U.S. SENATOR FROM MISSOURI

Mr. Chairman, thank you for holding this hearing today. I am pleased to be returning to the Energy Committee in the 109th Congress—we have some unfinished business held over from last year, and I think today's witness will help us accomplish that "unfinished business."

Dr. Bodman, you are an experienced executive who has served in the administration and you have varied and distinguished career in the private sector; you've served as a professor at MIT, president of an investment firm, the chairman and CEO of an industrial company with operations worldwide. I'm sure each of these diverse experiences has prepared you to lead and manage an agency which affects American's every day.

As I've said many times while traveling throughout Missouri, economic growth and job creation are dependent upon reliable access to affordable energy. In 2001, the President put forward a comprehensive energy strategy that was designed to help us achieve those goals. I thank Secretary Abraham for his leadership in implementing much of that strategy and for meeting the challenges of securing our energy supply in this post-September 11th world. We have been able to accomplish many of those initiatives, but there is still a great deal of work to be done—specifically on the renewable fuels standard.

Dr. Bodman, I serve as Co-Chair of the Biofuels Caucus in the Senate and I have a real interest in promoting the use of renewable fuels, like ethanol and biodiesel. It is imperative that we continue the effort to enact a comprehensive energy bill that includes key provisions promoting renewable fuels. Over the past few years important progress has been made. The ethanol industry has doubled in size and key incentives for ethanol and biodiesel have been created or extended. In Missouri, we have two ethanol plants up and running and we will soon have a third plant at full production in Malta Bend. Additional delay in enacting a strong renewable fuels standard will stifle the growth of the industry. I look forward to working with you and my colleagues in the Senate to draft a renewable fuels standard that is good policy our nation and the ethanol and biodiesel industries.

I look forward to working with you and my colleagues in Congress to develop and pass a comprehensive legislation that moves America toward greater energy independence. I'm optimistic about the task ahead, and I am confident that Dr. Bodman has the skills and the initiative to lead this important and vital agency. I am pleased to support your nomination as Secretary of Energy.

The CHAIRMAN. Senator Bingaman.

**STATEMENT OF HON. JEFF BINGAMAN, U.S. SENATOR
FROM NEW MEXICO**

Senator BINGAMAN. Thank you very much, Mr. Chairman.

First, I want to join you in indicating a willingness and commitment to work, on a very bipartisan way, in meeting the responsibilities of the committee this year and this Congress. I think we have a lot of challenges, the country has a lot of challenges, with regard to energy policy, and we need to find solutions that we can all buy into, and I hope that that happens expeditiously.

Let me just say, Mr. Bodman, that I am extremely impressed with your background, obviously, and have enjoyed the opportunity to visit with you and talk a little about some of the challenges that we have in the Department of Energy.

My staff went back and found a statement that you made when you were being sworn in as Deputy Secretary of Commerce. The statement was that you considered the Commerce Department to have the most diverse set of missions of any Department or agency in the Federal Government. I would just suggest that you'll think back on the "good old days" when you had a clear idea of what your responsibilities were, because the Department of Energy has a very broad and diverse set of responsibilities. And I am sure you're well aware of that.

I do think that one of the great challenges all of us recognize is the challenge of remaining preeminent in science and technology, and using science and technology to meet our energy needs and our energy challenges in the future. And I think your background in science and technology prepares you very well for understanding that and acting on that understanding. So I look forward to the rest of the hearing, and expect that you will be confirmed with a large majority, and look forward to working with you.

Dr. BODMAN. Thank you, sir.

Senator BINGAMAN. Thank you.

The CHAIRMAN. Thank you, Senator Bingaman.

It is interesting, just before I walked out here, Senator Bingaman, while meeting his family, my closing remarks were just what you said. I failed to tell him that you just returned from a visit to inform yourself on some startling science and research education in India. But you did that because it is obvious that this Department should be taking a much more active role. And I think that he might be the right person, because of his background, to understand and see if he can help us on that.

Now, on our side, anybody else want to make an opening statement? You are certainly welcome. You do not want to talk about ANWR, Senator?

[Laughter.]

Senator MARTINEZ. Mr. Chairman, I just would like to—as a freshman Member of your committee, just to thank you for welcoming me to your committee, and I look forward to working with you. I'll have a question or two when we get to the questions.

The CHAIRMAN. What I do want to say, you are one of the new Members that make our committee different, because we are usually all Westerners, except for a few exceptions, but the Easterners are taking over. I am just hopeful that—so, well, we got Allen in there. I do not know where we put him. But in any event, that

might make our work a little different, although we think there is a common ground when it comes to the energy problems, without any question.

Now, if you all have no opening remarks, I understand, Senator Dorgan, you might like to comment.

**STATEMENT OF HON. BYRON L. DORGAN, U.S. SENATOR
FROM NORTH DAKOTA**

Senator DORGAN. Mr. Chairman, I am not able to stay for the entire hearing—I regret that—because of another schedule, but I did want to take the opportunity to say that I think Dr. Bodman is a man of considerable achievement, and I am happy to support his nomination. I think he is a good choice.

He and I had a chance to visit at some length this morning on the subject of lignite coal, which is, of course, a favorite subject of mine, but also renewables, ethanol, hydrogen fuel cells, the Global Threat Initiative, which I think is very important. And I look forward to working with him, and with my colleagues on the committee, to write an energy bill that will advance this country's interests.

So thank you very much. Thank you, Dr. Bodman.

[The prepared statement of Senator Dorgan follows:]

PREPARED STATEMENT OF HON. BYRON L. DORGAN, U.S. SENATOR
FROM NORTH DAKOTA

I am pleased the Energy and Natural Resource Committee is taking up this nomination. It could not come at a more critical time, as energy has become a big issue and a big concern for our nation.

We import approximately 60 percent of our oil from some of the most volatile places in the world and now depend on OPEC to ensure oil supplies remain high and prices remain low. We should not have to depend on other countries for our energy needs. I believe we can be an energy self-sustaining country, but we have to implement policies that move us towards that goal.

Next week, this Committee will hold a hearing on natural gas and if we are not careful, history will repeat itself. Just like our dependence on foreign oil has grown, if we are not careful, so too will our dependence on foreign sources of natural gas. It is inevitable. If we do not find ways to better utilize the resources available domestically, we will have to look beyond our borders for our energy needs, which ultimately threatens our national security.

It doesn't have to be this way. We can learn from our past to better situate ourselves for the future, but there has to be a focus and we must think outside the box.

In the coming months, Congress will again debate the merits of opening the Arctic National Wildlife Reserve for oil exploration. Supporters believe we can simply "dig and drill" our way out of our dependence on foreign oil, but I don't believe this is the case. Even if we opened ANWR, it would only reduce our oil imports by a fraction of what they are projected to be. Instead of continuing to argue over this proposal, we must set out an aggressive goal of reducing our overall dependence on foreign oil.

I believe the best way to do that is to develop a hydrogen infrastructure. The use of hydrogen fueled cars can be to our grandchildren what gas powered cars were to our grandparents. I support the President's idea about hydrogen, but, unfortunately, we differ on how to implement it. I believe we should be aggressive, not passive in this endeavor. If we miss this opportunity, we will miss an opportunity to create significant high paying, technical jobs, as well as all the other benefits that can be achieved by developing a hydrogen-based infrastructure.

There are other areas in our energy development that DOE will need to play a larger role in. I come from a state that has vast amounts of fossil fuels and I believe we should continue to use them. However, we should also expand the role renewables play in our energy portfolio. Working together, renewable and fossil fuels will play an important role in our nation's future energy needs. That is why I support a Renewable Fuels Portfolio Standard (RPS). An appropriate RPS can be the cata-

lyst that is needed to make renewable energy development move from the niche market into the mainstream and cement itself as part of the solution to our ever-growing energy needs.

Like I mentioned earlier, North Dakota has vast amounts of fossil fuels. Lignite coal is the fuel of choice in my state, but its properties make it hard to ship. We need more funding for Clean Coal Research to address some of the issues related to the use of lignite coal. We hear a lot about the need to reduce mercury in coal, but there is not a feasible way to reduce mercury in lignite. That is why I support clean coal research at NDSU's EERC. I hope as a former academic Dr. Bodman will support the continued involvement by colleges and universities as they develop new technologies for our energy sector.

Additionally, energy efficiency is important and I believe DOE should be a leader in this area. As everyone knows, a unit of energy saved is the same as a unit of energy produced. Energy efficiency is the easiest and most important part of addressing our future energy needs. From implementing more efficient standards for appliances to using Energy Savings Performance Contracts to install energy efficient equipment, DOE must provide the leadership in moving our country forward in this area. And I hope DOE will take this opportunity to set us on the appropriate course.

Reducing our dependence on foreign sources of energy is not only important for our pocketbooks; it is also import for our national security interests. But, just as important is the threat of nuclear or radiological materials falling into the hands of terrorists. In May of last year, Secretary Abraham launched the Global Threat Reduction Initiative (GTRI) which integrates a number of programs concerned with securing or removing nuclear materials from facilities around the world. I've been very pleased with the progress that was made during the first term and hope that the program continues to receive full funding.

Additionally, I am very concerned that one of the goals set forth in the November 2004 Strategic Plan of the National Nuclear Security Administration (NNSA) Strategic Plan is "to be able to design, develop, and begin production of a new [nuclear] warhead within 3-4 years of a decision to do so."

I hope that policy will be dropped in view of the fact that last year Congress wisely and overwhelmingly cut funding for three nuclear weapons research programs, including the Modern Pit Facility, the Robust Nuclear Earth Penetrator (also known as the "bunker buster"), and Enhanced Test Readiness.

There are compelling arguments why the budget requests for those programs did not withstand scrutiny. Not only are these initiatives an unwise and unnecessary use of limited resources, they also send the wrong signal to the rest of the world. When we want countries such as Iran and North Korea to abandon nuclear weapons development, it is hypocritical for the United States to embark on new weapons and testing initiatives.

The U.S. needs to lead by example. New U.S. nuclear initiatives might actually risk, rather than enhance, our national security by encouraging other countries' nuclear weapons initiatives.

Earlier today I had a chance to sit down and talk to Dr. Bodman about some of these issues and I look forward to working with him in the future to address our international and domestic energy and security needs.

The CHAIRMAN. Senator Salazar.

**STATEMENT OF HON. KEN SALAZAR, U.S. SENATOR
FROM COLORADO**

Senator SALAZAR. Senator Domenici and Senator Bingaman, I just want to say it is an honor for me to be here to serve with all of you on this very important committee, and I look forward to working with all of you.

I do have an opening statement, and I have questions, and I just, with your permission—

The CHAIRMAN. Do you have an opening statement? We'll make it a part of the record, if you have one.

[The prepared statement of Senator Salazar follows:]

PREPARED STATEMENT OF HON. KEN SALAZAR, U.S. SENATOR FROM COLORADO

Good afternoon. Thank you, Mr. Chairman. It is a privilege to serve on this important Committee with you and with Senator Bingaman, to whom I am grateful for

this assignment. I very much look forward to working with you and with all of my colleagues as we strive to develop a clean, diversified and secure energy future for Colorado and our country. I know I will learn a great deal from all of you, as you share your experiences and leadership on a wide range of issues affecting the nation's energy sources and other natural resources. I hope that my own experience, as a farmer and rancher for much of my life, and as someone who has been deeply involved in water, environmental and natural resources issues throughout my career will be helpful to this Committee.

And thank you, Dr. Bodman, for your long and distinguished service to our country. Your experience in the Commerce and Treasury Departments will be very valuable, I expect, as you consider ways to improve our nation's energy independence and energy security.

I grew up in Colorado's San Luis Valley, part of the fifth generation of my family to make its living from the land. As I said, I have been actively engaged in agriculture as a farmer and rancher for much of my life. My grandparents and parents passed along to me the values of preserving and protecting our air, land and water for future generations.

Colorado is blessed with an abundance of natural energy resources, and the oil and gas industry plays a significant part of our state economy. As long as America is dependent on foreign oil for a significant part of our energy needs, our economy and our national security are at risk. We need to move rapidly toward energy independence. As we work to attain energy independence, we can also strengthen our economy, increase our national security and protect our air, land and water.

A. BALANCE BETWEEN ENERGY DEVELOPMENT AND ENVIRONMENTAL PROTECTION

We need to increase our domestic production of oil and gas, and we can do that in ways that do not harm the environment. But there are some places that should not be drilled because they are just too valuable for protection of water, fish and wildlife habitat or recreation.

The Roan Plateau near Rifle, Colorado, is an area that exemplifies the need to balance multiple values and uses of public lands. The area is rich in natural gas and other energy resources, but the top of the plateau is one of the state's most biologically rich areas. We need to work toward energy independence, but we also need to protect wildlife habitat critical to hunting and fishing, an important component of the local economy. Garfield County and some other local governments, as well as many local citizen groups, have expressed opposition to drilling on top of the plateau. The Bureau of Land Management recently released a draft Environmental Impact Statement reviewing all of these matters. I am working closely with representatives of BLM and the state to ensure that the federal government refrains from issuing additional leases on top of the Plateau until leases at the base of the Plateau are fully developed and other environmental safeguards are in place.

B. RENEWABLE ENERGY

The Western Governor's Association has now adopted at least two energy policy resolutions, which call for new exploration and development of conventional energy sources, where air, land and water can be protected, and at the same time urge the development of alternative (renewable) energy resources, energy efficiency and conservation. In my judgment, renewable energy is our future, and we need to support research and development in this industry so that we are the international leader, not a follower.

As you may know, Colorado just passed Amendment 37, the Renewable Energy Standard. I supported Amendment 37, because it makes renewable energy a reality, not merely an aspiration. Amendment 37 creates a modest standard for renewable energy generation in Colorado, starting at only 3% in 2007 and rising gradually to only 10% in 2015. The ballot measure protects ratepayers from any rate hike larger than 50 cents per month for any expense related to the policy. Many other states have passed similar legislation, and I look forward to working with you and my colleagues to further this agenda on renewable energy.

C. CLEAN ENERGY RESEARCH AND CONSERVATION

We also need to support research into hydrogen fuel cells, solar energy, geothermal energy, hybrid auto engines, and higher fuel efficiency for automobiles and home appliances. I hope I can count on your support for these principles and your commitment to working with this Committee to develop a national energy policy that includes a viable renewable energy program as well as necessary clean energy research and energy conservation.

To further these goals I urge you to support the Department's National Renewable Energy Laboratory in Golden, Colorado. As you know, NREL is the Department of Energy's primary national laboratory for renewable energy and energy efficiency research and development. I am a proud supporter of NREL and its research projects. Providing NREL with the resources it needs will lead our nation to greater energy independence and security.

D. ROCKY FLATS

Finally, I fully expect you to provide continued support for the timely cleanup of the Department's Rocky Flats facility west of Denver, Colorado. As you know, Rocky Flats manufactured components for nuclear weapons for the nation's defense from the 1950's until 1992. The environmental cleanup is scheduled to be completed by December 2006. Most of the 6,500-acre site will become part of the National Wildlife Refuge System, but approximately 1,200 acres will remain under DOE control. As I understand it, that area, which will be cleaned up to no more than 50 picocuries of Plutonium per gram of soil, will be fenced off from the National Wildlife Refuge to protect Refuge workers and the public. The cleanup of Rocky Flats serves as a model for the cleanup of DOE facilities nationwide, and it is therefore important to the people of my state and to the country as a whole for DOE to make its plant closure mission at Rocky Flats a priority and to complete environmental cleanup, waste management and decommissioning by December 2006.

It is with these principles in mind that I hope you will help develop new clean energy goals and energy efficiency programs that will help meet our country's future energy needs and lead to greater energy independence and security. The Committee will work on an energy bill again this year. I look forward to working with my colleagues on this Committee and with you, Dr. Bodman, to do everything we can to help develop a comprehensive and sustainable energy strategy that is also protective of a healthy environment in the West and across the country.

Again, thank you, Mr. Chairman and Senator Bingaman. And thank you, Dr. Bodman.

The CHAIRMAN. Senator Allen, in your absence, we welcomed you to the committee.

Senator ALLEN. Thank you.

The CHAIRMAN. You knew I did that, in any event, but I just wanted to remind you.

Senator ALLEN. I just want to keep things moving along, Mr. Chairman.

The CHAIRMAN. You are great.

Dr. Bodman, we will proceed. And the next item is for you to introduce your family and give your opening remarks.

TESTIMONY OF SAMUEL W. BODMAN, NOMINEE TO BE SECRETARY, DEPARTMENT OF ENERGY

Dr. BODMAN. Mr. Chairman, Senator Bingaman, Members of the committee, I am very pleased and appreciate the opportunity to be here before you today.

I am very honored to be the President's nominee—

The CHAIRMAN. Would you introduce your family?

Dr. BODMAN. Yes, sir.

The CHAIRMAN. Oh, you will?

Dr. BODMAN. Yes, sir, just in the next—

The CHAIRMAN. Okay. I thought you forgot.

[Laughter.]

Dr. BODMAN. I am just—well, I had a choice, and I had to put the President first.

[Laughter.]

The CHAIRMAN. Oh, okay.

Dr. BODMAN. I thought that was a wise thing to do.

And so, I am honored to be the President's nominee for this job, and I am very grateful for his confidence and support.

I am very pleased—to your point, sir—that my wife Diane is here with me today, as well as my son, Perry, who is immediately behind her. I am the proud father of five children, and I have eight grandchildren, and I am very blessed to have their continued support.

As the Deputy Secretary of Commerce during the first 3 years of the administration, and as the Deputy in Treasury for the last year, I have had the privilege of serving this President and the American people for the past 4 years. During that period, and over the course of the last 6 weeks, I have had the good fortune to visit with almost all of you personally. The meetings have been extremely helpful to me, and I express my gratitude to you for your spending the time with me. They have been a great source of encouragement as to what I hope we can accomplish together as we move forward.

By way of personal background, I was born in Chicago, and raised in a very small Illinois community, but I spent most of my adult life in Massachusetts. I went to Boston as an MIT graduate student, and I never left town. I stayed there for 40 years.

I started out my career as a professor of chemical engineering at MIT. I then joined a small investment firm—then-small investment firm called Fidelity Investments. During my 17 years there, the last ten of which were as president of the company, I helped orchestrate the transformation of a small regional investment company into one of the nation's largest financial-service enterprises.

Following my time at Fidelity, I spent 15 years serving as chairman and CEO of Cabot Corporation, a publicly owned specialty chemical manufacturer. Four years ago, Diane and I moved here to Washington so that I might serve as Deputy in Commerce and then move on to Treasury.

In many ways, the challenges and opportunities of the Department of Energy, which I now have to admit, sir, is even somewhat more diverse than that which I was used to at the Commerce Department—these challenges and opportunities will call upon all aspects of my life's professional work in academia, in business, and in government.

I believe that the Department of Energy, with its critical national and economic security missions, is one of our most important Federal agencies. But, at the same time, it is perhaps one of the least understood by much of the general public. That lack of understanding might be partly a result of its name, which belies the broad spectrum of the Department's scientific research and national-defense missions.

Some people have told me that the agency might well be more appropriately called the "Department of Energy, Nuclear Defense, Science, and Technology." But if that were, indeed, its name, perhaps the Department would be in the news a little more often than just during times of power blackouts and high gasoline prices.

One example of an important mission that goes well beyond the Department's "energy" name is the responsibility to maintain America's world leadership in science. The Department of Energy, as the Members of this committee well know, is the primary Fed-

eral agency conducting basic research in the physical sciences. The Department operates a network of national laboratories that drive dramatic advances in a number of fields. Those fields include high-energy physics, nuclear science, plasma science, material and chemical sciences, as well as the biological and environmental sciences.

For the public good, the Department of Energy invests in the large, sophisticated scientific facilities needed to support basic research and the needs of the general science community. Each year, thousands of researchers from around the Nation, and the world, work with the Department of Energy's national laboratories. As testament to the importance of the impact of this research, scientists working with the DOE national labs over the years have been awarded more than 80 Nobel Prizes. Quite a statement. As an engineer by training, and a teacher, I very much look forward to the prospect of learning more about the national labs, and supporting their critically important work.

I am also eager to contribute to the Department of Energy's better-known mission of helping to ensure stable, reliable, secure, affordable, and environmentally responsible supplies of energy for our Nation's growing economy. As you know, the last Congress came very close to enacting a comprehensive piece of energy legislation. That legislation contained numerous provisions to expand our domestic production of traditional energy resources, modernize our energy infrastructure, expand our use of renewable energy sources, such as wind and solar power, and make wiser use of energy, and pursue new forms of energy production that would help reduce pollution and lessen America's dependence on foreign oil.

A stable and affordable supply of energy is, indeed, the lifeblood of the U.S. economy. Comprehensive energy legislation should address the energy challenges that we face, which include the high prices of gasoline, heating oil and natural gas, power blackouts, and shortages in some regions of natural gas and electricity. It is, in my view, among the most important matters to come before this Congress. And, if confirmed, I will look forward to working with the Members of this committee, along with your colleagues in both houses of Congress, to pass this legislation.

Another major area of focus for the Secretary of Energy is the Department's National Nuclear Security Administration and its responsibility for America's nuclear defense, both the stewardship of our nation's nuclear-weapons stockpile and our international nuclear nonproliferation efforts.

As Members of this committee know, one of the most important responsibilities of the Secretary of Energy, in cooperation with the Secretary of Defense, is certifying to the President that our Nation's nuclear-weapons stockpile is safe, secure, and reliable. The nuclear deterrent was a vital factor in winning the cold war, and it continues to be a key strategic component of our national-security posture. Since the beginning of this administration, the Energy Department has made significant progress in upgrading the capabilities of nuclear weapons and the facilities that support it. I look forward to continuing that progress.

I also believe that we must build on the Department's impressive programs in the area of nuclear nonproliferation. Few things are

more important in today's world than keeping weapons-usable nuclear material away from terrorists and enemy regimes. Nuclear material around the world must be made more physically secure to make certain that it is never acquired for use in weapons, either in nuclear devices or in radiological-dispersion devices, or so-called "dirty bombs."

Closely related to the Department's nuclear-defense mission is the cleanup of various sites around the country that have been contaminated through the years as a result of the development of our nuclear-defense capability. Over the past 4 years, the Department has revamped the massive cleanup process for these sites, reducing the timetable by 35 years, moving the projected completion date to 2035 from 2070, and saving taxpayers about \$50 billion in the process.

I commend Secretary Abraham and the many DOE employees who have worked on this accomplishment. And, if confirmed, I know that we will build on their achievement to ensure that chemical and radiological contamination at these facilities is properly dealt with, and that, where practical, these sites are restored and returned to the public for safe and constructive use.

All of the Department's mission-critical work is vital to America's national security, to the well-being of our economy, and to our Nation's leadership in the world of science and technology.

Once again, Mr. Chairman, I am deeply honored that the President has nominated me to serve this important agency, and I look forward to working with each of the committee Members as this confirmation process moves forward. And I am now pleased to take any questions that you may have.

Thank you, sir.

[The prepared statement of Dr. Bodman follows:]

PREPARED STATEMENT OF SAMUEL W. BODMAN, NOMINEE TO BE SECRETARY,
DEPARTMENT OF ENERGY

Mr. Chairman, Senator Bingaman, and members of the Committee, thank you for the opportunity to appear before you today. I am honored to be President Bush's nominee to be Secretary of Energy, and I am grateful for his confidence and support.

I am most pleased that my wife, Diane, is here with me today. I am the proud father of five children and eight grandchildren, and I am blessed to have their continued support.

As Deputy Secretary of Commerce during the first three years of the Administration, and as Deputy Secretary of the Treasury for the last year, I have had the privilege to serve President Bush and the American People since 2001. During that period, and over the course of the last six weeks, I have had the good fortune to visit with many of you. The meetings have been very helpful to me, in preparation for this day, and have been a source of great encouragement as to what I hope we can accomplish together if I am confirmed.

By way of personal background, I was born in Chicago and raised in a small Illinois community, but I spent most of my adult life in Massachusetts. I went to Boston as an MIT graduate student and ended up staying for 40 years. I started out my career as a professor of chemical engineering at MIT. In 1970, I joined a then-fledgling investment firm called Fidelity Investments. During my seventeen years there, the last ten as president, I helped orchestrate the transformation of a small company into one of the nation's largest financial service enterprises.

Following my time at Fidelity, I spent fifteen years serving as Chairman and CEO of Cabot Corporation, a specialty chemical manufacturer. Four years ago, Diane and I moved to Washington so that I might serve as Deputy Secretary of Commerce, and for the last year, in the same position at the Treasury. In many ways the challenges and opportunities of the Department of Energy will call upon all aspects of my life's professional work in academia, in business, and in government.

I believe the Department of Energy, with its critical national and economic security missions, is one of our most important federal agencies. But, at the same time, it is perhaps one of the least understood by much of the general public. That lack of understanding might be partly a result of its name—which belies the broad spectrum of the Department’s scientific research and national defense missions.

Some people have told me the agency might be more appropriately called the “Department of Energy, Nuclear Defense, Science and Technology.” And if that were indeed its name, perhaps the Department would be in the news more often than just during times of power blackouts or high gasoline prices.

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For the public good, the Department of Energy invests in the large, sophisticated scientific facilities needed to support basic research and the needs of the general scientific community. Each year, thousands of researchers from around the nation, and the world, work with the Department of Energy’s national laboratories. As a testament to the importance and impact of this research, scientists working with the DOE national labs over the years have been awarded more than 80 Nobel Prizes. As an engineer by training, I very much look forward to the prospect of learning more about the national labs and to supporting their critically important work.

I also am eager to contribute to the Department of Energy’s better-known mission of helping ensure stable, reliable, secure, affordable and environmentally responsible supplies of energy for our nation’s growing economy. As you know, the last Congress came very close to enacting comprehensive energy legislation that contained numerous provisions to expand our domestic production of traditional energy resources, modernize our energy infrastructure, expand our use of renewable energy sources such as wind and solar power, make wiser use of energy, and pursue new forms of energy production that would help reduce pollution and lessen America’s dependence on foreign oil.

A stable and affordable supply of energy is indeed the lifeblood of the U.S. economy. Comprehensive energy legislation should address the energy challenges that we face, including high prices for gasoline, heating oil and natural gas, power blackouts and shortages in some regions of natural gas and electricity. It is, in my view, among the most important matters to come before Congress. And if confirmed, I look forward to working with the members of this Committee, along with your colleagues in both houses of Congress, to pass this legislation.

Another major area of focus for the Secretary of Energy is the Department’s National Nuclear Security Administration and its responsibility for America’s nuclear defense—both the stewardship of our nation’s nuclear weapons stockpile and our international nuclear nonproliferation efforts.

As the members of the Committee know, one of the most important responsibilities of the Secretary of Energy—in cooperation with the Secretary of Defense—is certifying to the President that our nation’s nuclear weapons stockpile is safe, secure and reliable. The nuclear deterrent was a vital factor in winning the Cold War, and it continues to be a key strategic component of our national security posture. Since the beginning of this Administration, the Energy Department has made significant progress in upgrading the capabilities of the nuclear weapons complex and the facilities that support it. I look forward to continuing that progress.

I also believe that we must build on the Department’s impressive programs in the area of nuclear nonproliferation. Few things are more important in today’s world than keeping weapons-usable nuclear material away from terrorists and enemy regimes. Nuclear material around the world must be made more physically secure to make certain that it is never acquired for use in weapons—either in nuclear devices or in radiological dispersion devices, so-called “dirty bombs.”

Closely related to the Department’s nuclear defense mission is the cleanup of various sites around the country that have been contaminated through the years as a result of the development of our nuclear defense capability. Over the past four years, the Department has revamped the massive cleanup process for these sites, reducing the timetable by 35 years (moving the projected completion date to 2035 from 2070) and saving taxpayers about \$50 billion in the process.

I commend Secretary Abraham and the many DOE employees for this accomplishment. And, if confirmed, I know that we will build on their achievement to ensure that chemical and radiological contamination at these facilities is properly dealt

with—and that, where practical, these sites are restored and returned to the public for safe and constructive use.

All of the Department's mission-critical work is vital to America's national security, to the well-being of our economy, and to our nation's leadership in the world of science and technology. Once again, I am deeply honored that the President has nominated me to serve in this important agency, and I look forward to working with each of you as this confirmation process moves forward. I am now pleased to answer any questions.

The CHAIRMAN. Thank you very much.

First, I want to thank you for that statement. I think you have quite appropriately captured the essence of the Department, and have indicated most of the highlights of what we will be confronted with.

Having said that, I want to let the record show that two additional—three additional Senators have arrived, and if they want to make a brief opening statement, albeit late, and others did not, you are welcome to.

[Laughter.]

Senator FEINSTEIN. I'll put mine in the record.

[The prepared statement of Senator Feinstein follows:]

PREPARED STATEMENT OF HON. DIANNE FEINSTEIN, U.S. SENATOR FROM CALIFORNIA

Thank you, Mr. Chairman, for holding this hearing.

Mr. Bodman, I would like to welcome you to the committee and share with you my concerns with our nation's energy policy.

As you know, in 2000-2001, the entire West suffered through an energy crisis. In California, the total cost of electricity soared from \$7 billion in 1999 to \$27 billion in 2000 and \$26.7 billion in 2001—a 400% increase in one year. We know that demand cannot and did not increase by 400% in one year!

Over the past few years, we have learned a great deal about the energy companies' trading practices in the West.

It is clear that there was not adequate federal oversight to protect Californians and the other energy consumers in the West.

Indeed, the record shows that energy companies including Enron, Mirant, and Dynegy, for example, deliberately withheld electricity and natural gas to boost their companies' profits.

Fraud and manipulation occurred, in part, because strong federal oversight of much of the energy trading system was non-existent. In fact, strong federal oversight of our energy markets is still lacking.

I am also concerned about this Administration's lack of commitment to combating climate change.

As you know, this country has the technological know-how to utilize existing technologies, such as energy efficient appliances, strong hybrid vehicles, and renewable energy sources, to reduce the greenhouse gases we emit into the air every day. Yet we have no federal commitment to incentivizing these technologies to make them more cost-effective for consumers.

I would also like to express my concerns about the Administration's nuclear weapons policy. I have several questions that I will ask later in the hearing to seek your opinion on the path the Administration should take in developing new, low-yield and tactical nuclear weapons.

I would also like to raise the topic of the National Ignition Facility. This and other Administrations have strongly supported the funding and the goals of the National Ignition Facility.

I applaud them for their efforts and hope it will continue under your tenure as Secretary.

Thank you Mr. Chairman and I look forward to Mr. Bodman's testimony.

The CHAIRMAN. Senator Craig.

Senator CRAIG. Mr. Chairman—

The CHAIRMAN. Do not take too long to think about it.

[Laughter.]

Senator CRAIG. Having properly phrased your recognition of my presence, I ask unanimous consent that my statement be a part of the record.

The CHAIRMAN. All right. That is good.
[The prepared statement of Senator Craig follows:]

PREPARED STATEMENT OF HON. LARRY E. CRAIG, U.S. SENATOR FROM IDAHO

I am pleased that the Committee was able to schedule this confirmation hearing in a very expeditious manner.

We have before us a nominee with whom this Committee will interact in very substantive ways during the coming Congress.

Aside from the important goal of completing a comprehensive energy bill, each of us brings to our work on this Committee, energy issues that are specific to our states. I am no different in this regard.

In Idaho, we host two of the Department of Energy's national laboratories, and we are on the threshold of something very exciting.

On February first—less than two weeks from today—the Idaho National Engineering and Environmental Laboratory and Argonne National Lab West will officially be combined in the new Idaho National Lab.

The creation of this new lab—which is a combining of the capabilities of the two existing labs in Idaho—was launched by Secretary Abraham nearly two years ago. The Idaho National Lab will be at the center of DOE's efforts to revitalize the commercial nuclear power industry through the demonstration of advanced nuclear reactors and technologies.

Along with Chairman Domenici, I have worked with DOE and within the energy bill, to move forward on the design and construction of an advanced Generation 4 nuclear reactor at the Idaho National Lab. This advanced reactor will generate both electricity and hydrogen.

With the nominee for Secretary which we have before us today, I will continue this close working relationship for the success of nuclear energy and the success of the Idaho lab.

Just as important to me, however, is addressing the environmental legacy of DOE's past practices in Idaho. Ongoing in Idaho is a comprehensive clean-up of hazardous and radioactive waste—through DOE's Environmental Management Program.

This clean-up is costing the taxpayers hundreds of millions of dollars per year in Idaho alone. Nationwide it is costing many billions. It is important that this clean-up be done right, done soon and done cost effectively.

This nominee has an impressive background and, in being nominated for this position, he has accepted a challenge that is every bit the equal of his skills. He has my support. I look forward to his speedy confirmation and working cooperatively with him on these challenges.

The CHAIRMAN. How about our Senator from Wyoming?

Senator THOMAS. I think I have no choice but to submit it.

[Laughter.]

The CHAIRMAN. No, you have whatever choice you would like.

Senator THOMAS. I will be glad to submit it. Thank you.

[The prepared statement of Senator Thomas follows:]

PREPARED STATEMENT OF HON. CRAIG THOMAS, U.S. SENATOR FROM WYOMING

Welcome, Dr. Bodman. President Bush has nominated you for an extremely important position especially in light of the tremendous importance of the energy and national security issues facing this country today. I believe your education and experience as Deputy Secretary of the Treasury, Deputy Secretary of Commerce as well as the knowledge you gained in the private sector gives you a solid foundation to be an effective Energy Secretary.

The responsibilities of the Department of Energy are extremely diverse and complex—ranging from national security, energy policy, science and technology, to environmental management. For instance, a key responsibility entrusted to the Secretary of Energy is to annually certify to the President that the U.S. nuclear arsenal is safe, secure, and reliable. The Department also plays a critical role in the challenge of nuclear nonproliferation and at the same time, oversees our nation's national laboratories.

In addition, the Department of Energy is the principal Federal agency charged with the responsibility for development of a national energy policy. Your predecessor, Secretary Spencer Abraham was actively engaged with the committee during the past four years as we tried diligently to pass an energy bill. The time is here to buckle down and finally pass a comprehensive energy policy.

We must strive for our nation's energy independence. I come from the State of Wyoming. In 2003, we ranked 6th in the nation in proved reserves of crude oil, 2nd in natural gas, and 3rd in coal reserves so I happen to think energy independence is achievable. Yet, oil imports continue to run at historic levels and we are talking about importing huge quantities of natural gas to make up a deficit. How do we find ourselves in this situation? We tend to create some of our own problems and fail to make the difficult decisions to use all our available resources.

The California energy crisis was an unfortunate series of events but it highlighted the danger of putting all your eggs in one basket. Especially with regard to base load generation, we must look to our nation's most abundant fuel—coal. That is why we need the Department of Energy's commitment to coal and the development of technologies to make coal cleaner and more efficient. Most importantly, we need your commitment to continue coal research and development. The current Clean Coal Power Initiative and the FutureGen project are promising technologies but they have to be fully funded. All this is necessary to expand the use of coal for power generation so natural gas can be saved for industrial, commercial, and home use.

In addition, we need to be able to get coal power to market. The federal government is the largest owner of transmission capacity in the United States. As the Secretary of Energy you will be in charge of the federal power marketing administrations—BPA, WAPA, SWPA and SEPA. The Bonneville Power Administration (BPA), alone, owns and operates 75% of the high voltage transmission system in the Pacific Northwest. For some time now, a group of utilities in the states of Nevada, Oregon, Washington, Idaho, Montana, Wyoming and Utah have been working to develop a regional transmission organization (RTO)—now known as GridWest. I believe an RTO would bring increased certainty that leads to added investments in transmission capacity and to a more effective and less congested transmission grid. An RTO in my region of the country would produce enormous benefits for my constituents and throughout the West.

Dr. Bodman, I have only touched the surface of your enormous portfolio that you will carry as the Secretary of Energy. The challenges are immense. I look forward to working with you.

The CHAIRMAN. After all, you know, it is not very often that we comment on your great State. But when it comes to coal, we have to recognize that America would be in tough shape if we did not have your State.

Senator THOMAS. I certainly agree. And if that is the case, perhaps I should go ahead.

[Laughter.]

The CHAIRMAN. No, I think, with that, you really should not speak.

[Laughter.]

The CHAIRMAN. Now, I have four quick questions, but I do want to open by saying to you that—you mentioned the NNSA, the National Nuclear Security Administration. We have not had many hearings on that, and those—that acronym and what it does has still not been—become very public, and people are not yet aware. And I do not think the Department has done a very good job at implementing the legislation for this autonomous structure—semi-autonomous.

I do have a letter I will submit to you that states what I think you ought to do, and what you have not done. And I will submit it to the committee Members—in particular, Senator Bingaman—shortly.

Now, having said that, I am going to do something that is rather parochial first. Los Alamos National Laboratory will soon be—soon

have a renewed contract—not necessarily a new contract or—but we’ve had the same contract and the same contractor for 60 years. And now it is being—the management is being competed for the first time. The outcome of this competition is, as you might suspect, causing a great deal of concern among a number of the superb scientists at the laboratory, to the point that some at least indicate that they might be considering leaving the laboratory rather than trusting the outcome of the competition. I have tried, and so have Senator Bingaman and others, to assure them that they should not do that, and that the bidding will properly protect their interests and their contract and their benefits.

So do you share the commitment that was made by the Secretary—that is, Secretary Abraham—that the Department fully intends to maintain, and even enhance, the scientific capabilities at Los Alamos; and, second, that laboratory employees or retirees will maintain the existing pensions or health benefits as a result of the competition?

Dr. BODMAN. I am happy to make that commitment, sir. I would go on to say that I consider Los Alamos to be among the crown jewels, really, I guess, a phrase—perhaps it’s overused—but the crown jewels of this Nation’s technological effort. And anything that I can do to enhance that—not just leave it the way it is, but to enhance it—I will do. And I remain very enthused and, frankly, humbled at the opportunity.

The CHAIRMAN. My second question has something to do with plutonium disposition. I have been involved in an effort to achieve a binational agreement with Russia on plutonium disposition. That continues to be stymied by endless wrangling on the issue of liability, which is a strange word, but it really has to do with Russian liability, in case of an accident, in turning this plutonium into something that is safe. Can you assure me that you will push forward and press with the administration for the resolution of the issue of liability so that progress can be made on this very key non-proliferation effort? Are you aware of the issue?

Dr. BODMAN. Yes, sir, I am aware of it. I can certainly attest to my commitment to following through on that effort. This President, this administration, has made nonproliferation a very high priority. It will certainly have a high priority on my agenda. I am, further, aware that the issues are of a legal nature and are highly complex, and that efforts are being made to resolve these matters even as we speak. And I will certainly, if confirmed, put forth my effort to join in an effort to resolve whatever differences exist.

The CHAIRMAN. You mentioned electricity and blackouts—but, you are right, that is about the time we begin to think we have—that an Energy Department’s important, when we have one—but the security of the Nation’s aging power network is becoming a great concern. It is highlighted by an August 14 blackout, which you apparently alleged to in your remarks, that affected 50 million citizens. There has been a strong push for enacting mandatory reliability rules as a way to address this issue. However, many of us believe that more than that is necessary. Do you have any idea what other efforts, if any, you might think are necessary to address the challenges of the electricity grid?

Dr. BODMAN. The challenges facing the delivery of electricity to the citizens of this country are quite profound. We have a system for delivering electrical energy to our citizens that is highly varied. Some areas have less expensive power, other areas have more expensive power. Some areas have a more reliable network for delivery, others have a less reliable network. We have some parts of the country that are regulated, other parts are deregulated. It strikes me that we need to develop an approach that will take into account the diversity—this great diversity that I alluded to—and stimulate investment in the grid. We have an aging facility, and we seem to be having difficulty putting together a program that deals with this range of issues.

It is very tough, I would say, sir. It is a real challenge. I do not think I underestimate it, although I may be. But I am very much committed to working with this committee, working with the committee that, as you pointed out earlier, represents a broad range of states, and seeing if we can develop an approach that would stimulate investment. That is really what we need. We need to find a way to stimulate investment and creativity. That seems to be starting to take hold, but we need to see more of it, in my judgment.

The CHAIRMAN. Mr. Bodman, I have a question on nuclear energy, as it is related to projects within—programs within your Department. You are well aware of my interest. And rather than take that question right now, I hope, at the end, I will have time, and I will ask you about the programs for moving ahead with a new generation of technology in that area.

But let me now yield to the Ranking Member for his questions.

Dr. BODMAN. Thank you, sir.

Senator BINGAMAN. Thank you very much, Mr. Chairman.

Let me follow up, first, on the question that you started with relation to Los Alamos. It is my impression—and I know that others probably disagree with this—but my impression is that one of the things that is essential in the case of this awarding of a new contract to operate Los Alamos is that it be done expeditiously. I think we have had a long period here since Secretary Abraham announced that there would be a competition. It has been over 2 years. That period of time has created a high level of uncertainty among lab employees as to who was going to run the lab, who was—how that was going to shake out. For that reason, I think it is very important that we go ahead and get this contracting decision made and awarded, and move down the road. I hope that, as Secretary of Energy, you will take some personal interest in the process of getting this done quickly; in addition, of course, to the concerns that Senator Domenici raised, which I also share, about making sure that the new contract is favorable and is designed in a such a way that we can retain and attract the top people we need for that laboratory. But I just mention that. That is not a question; that is just a statement from me on that issue, because I do think it's very important.

One of the issues that I think we will undoubtedly be discussing at length in our deliberations on an energy bill in this Congress is what actions the administration has been able to take, absent legislation, in this area. We have passed a few pieces of legislation, but

nothing like what we set out to pass. And there were a great many recommendations in the original administration task-force review of Energy that did not require any legislative action.

Senators Byrd and Jeffords and I all asked the General Accounting Office to give us a report as to how various agencies had proceeded to implement the recommendations in the administration's May 2001 National Energy Policy. We made that request some time ago. We were advised by the General Accounting Office that it was relying on the Department of Energy to provide information; we were told then that the Department of Energy would deliver that information last August. To my knowledge, that information still has not been forthcoming.

I would not expect you to know about this in any detail at this stage in the proceedings, but I would just, again, urge that, after your confirmation, if you could look into that, it would be very helpful to the Congress to know what actions have been taken administratively. We could then have that information before we charge off to enact legislation again.

Dr. BODMAN. You certainly, sir, would have my commitment to look into the matter and to report back to you as to what I find when I do so.

Senator BINGAMAN. Well, I appreciate that very much.

The other question I wanted to ask relates to a subject that Senator Domenici is probably more familiar with than I am because of his joint responsibilities here and in the Appropriations Committee. But last year the administration failed to request sufficient funds for the Yucca Mountain project. And, in my view, that unnecessarily jeopardized the future of that repository program. Can you assure the committee that this is a mistake we will not make again, that you will try to ensure that adequate funding is requested for that effort?

Dr. BODMAN. Senator, I would say this to you, that I view as one of my responsibilities in this job would be to execute the will of Congress and the will of the President in seeing to it that we follow through with Yucca Mountain. I am aware that apparently there were differences of opinion as to how one might go about appropriating funds for Yucca Mountain. I have not personally reviewed, nor should I have, the 2006 budget. I know a lot about the 2006 budget in Treasury, but nothing about it in the Department of Energy. And so, I cannot really speak to what is in there. But I can tell you that this is a matter of great import, it will be a matter of great import to me, and that I will enthusiastically follow through on it.

Senator BINGAMAN. Well, thank you very much.

Let me ask one other question. This is a subject, again, that both Senator Domenici and I have been concerned about, related to the Department's polygraph policy. The National Academy of Sciences did a report on the use of polygraph examinations and where they thought it was valid and where they did not think it was valid. There is a new proposal that just came out of the Department for use of polygraphs, and it makes some changes. My concern is that, in my view, it still contemplates a much more liberal use of that tool than is justified by the science that the National Academy of Sciences alluded to. I would just ask that—if you would agree that

members of the scientific community should be given an adequate chance to comment on the new proposal that has just come out of the Department before that's finalized, and that their comments should be given careful consideration.

Dr. BODMAN. I am not aware, in detail, of this situation, Senator. I am aware that the Department felt that it had, in large measure, reflected the views of the Academy, in the work that the Academy did, with respect to polygraphs, and that they have proposed to have a three-tier system, where only a very few people at the top of the tier who are constantly recipients of classified information would be subjected, on a regular basis. There would be a group under that that would be taken randomly, and then a whole group of people below that that would not be required to do it.

So I think the effort has been one of trying to respond. And I would think that this Department will continue to try to respond to the wishes and the views of the science community.

Senator BINGAMAN. Thank you very much. My time is up.

The CHAIRMAN. Thank you, Senator.

I am going to go on time of arrival, if you do not mind. I will, however, say there are two Senators who have arrived since we started, Senator Smith and Senator Bunning. Would either of you like to have any comments, in lieu of opening statements? I would tell you that nobody else made any, so we will then frown upon you, but, nonetheless, accept statements.

[Laughter.]

Senator SMITH. I will follow the example of my colleagues and put it in the record and welcome our Cabinet nominee.

Dr. BODMAN. Thank you.

[The prepared statement of Senator Smith follows:]

PREPARED STATEMENT OF HON. GORDON SMITH, U.S. SENATOR FROM OREGON

Chairman Domenici, I appreciate your ongoing efforts to provide energy security for our nation, and look forward to working with you again this Congress in an effort to enact meaningful national energy legislation. I want to welcome the Honorable Samuel Bodman here today, and express my strong support for his nomination as Secretary of Energy. Once confirmed, his leadership will be key in helping us craft bipartisan energy legislation.

I represent a state that receives a significant percentage of its power from the Bonneville Power Administration (BPA). In our conversations since your nomination, Deputy Secretary Bodman, I outlined my position that the benefits of the federal Columbia River hydropower system must continue to be available to the residents, farms and businesses of the Northwest, in accordance with federal law.

BPA must also have certainty with respect to its access to capital for long-term infrastructure development. This is true whether such financing is through BPA's Treasury borrowing account or some other means, such as third-party financing. There are many congestion points on the northwest transmission grid, much of which is owned and operated by BPA. The resulting inability to secure firm transmission rights is hampering the development and siting of new generation, and will threaten the region's economic recovery if not addressed. BPA's access to capital must not be artificially constrained, and I will seek your assurances that such constraints will not be imposed.

On another issue, drought conditions in the Pacific Northwest could result in tight energy supplies this summer. The last time we faced tight electricity markets on the West Coast, then Secretary of Energy Richardson issued a secretarial order on power sales into California. At that time, I wrote the Clinton Administration to express my concern that the order inappropriately gave the California Independent System Operator first priority rights to Northwest power and water, and would result in greater risk for power shortages and substantially increased rates for residential and business customers in Oregon. I also raised the concern that the order would shift the burden of California's liquidity and credit issues to others in the

West by forcing them to sell to California without guarantees of compensation. Lastly, I also expressed my concern that the federal dams on the Columbia and Snake Rivers were being operated in a manner that could jeopardize salmon recovery efforts.

While the water supply could improve or worsen I will be seeking a commitment from you that if we get into another tight electricity market this summer, you will not turn the Northwest into California's energy farm, or shift economic risk from California to the Northwest.

Dr. Bodman, I am now starting my fifth Congress as a member of the Senate Energy and Natural Resources Committee. This means I have also worked now for just as many congresses on national energy legislation. While some bills made it farther than others, we have yet to enact comprehensive energy legislation, even when it was supported by a majority of the Senate.

This lack of a national energy strategy is coming home to roost. Prices remain at or near historically high levels across the various energy sectors crude oil, natural gas, gasoline and electricity. This nation is more dependent on foreign oil than at any time in its history, and that dependency is expected to reach 70 percent by 2025.

The U.S. economy is the economic driver of the world. But for prosperity to continue, the U.S. needs energy. It needs abundant, reasonably priced oil, natural gas and electricity. I am confident that, as President Bush's Secretary of Energy, you will work with the Congress to achieve the Administration's dual goals of increased conservation and increased energy production.

Finally, with respect to the Northwest, I urge the Bush Administration to maintain its commitment to providing sufficient federal funding for the Hanford Site cleanup, and to resolving any outstanding issues that would hamper that effort. The health of Northwest residents and of the Columbia River ecosystem depend upon it.

In closing, I look forward to your comments today and to working with you on these important issues.

Senator BUNNING. I will do likewise.

[The prepared statement of Senator Bunning follows:]

PREPARED STATEMENT OF HON. JIM BUNNING, U.S. SENATOR FROM KENTUCKY

Thank you, Mr. Chairman.

I am pleased that Mr. Bodman is before us today.

His nomination is very important given the issues that Kentucky has with the Paducah Plant and coal.

Thankfully since my legislation to move the Energy Employees Compensation Program to the Department of Labor was signed into law last Congress, one of the major issues at the Paducah Plant has lessened. Hopefully, Mr. Bodman will help Paducah make some of the other issues, such as cleanup at the plant, better.

I also hope the Mr. Bodman will work with members of Congress to ensure that coal has a future as an energy source in this country. I am hopeful that we will get an energy bill this year that will help make that happen.

This is a big job and I expect Mr. Bodman will be receptive to suggestions and comments by myself and other members of Congress.

If the Senate confirms Mr. Bodman, I expect he will work hard to make sure that the DOE effectively manages the Paducah Plant and the clean coal issue.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you very much.

All right. We will proceed in time of arrival, and I hope I am correct. Senator Alexander, I believe you are next.

Senator ALEXANDER. Thank you, Mr. Chairman.

Dr. Bodman, welcome. I am impressed with your broad background. I think you are exactly the kind of person who could head a Department of Energy and Nuclear Safety in Science and Technology.

I would also say, to the chairman, I appreciate his public comments that we would try to work together better, in a bipartisan way this next year, and I look forward to that. Senator Bingaman stepped out for a moment, but he and I worked together on a bill

to help the country recapture the lead for computing in America, and on a Science and Technology Caucus, and I see no need why—no reason why we cannot do that, and make that more than just a few words.

If someone—I would like to use my time to emphasize a few points and then ask you one question, and then I will ask in a second round. But the—if someone landed from the moon in our country, and looked at the problems we have to solve, they would see a number of them that we do not know exactly what to do about, including Iraq, Iran, immigration, Medicare. These are problems for which there are no obvious answers. But everyone here knows what to do about energy. It's perfectly clear what to do about energy. You know, and we have clear answers and clear technology, and we have it for today, and we have it for 15 or 20 years from now, which makes it extremely disappointing not to be able to agree on an energy bill.

And the areas of importance are conservation and innovation and production. And, at least for the short-term, we have to have more production of nuclear and/or oil and/or coal. Now, there are other ways to do it, but we have to have enough to keep the economy running for that time.

So I was very pleased to hear you talk about the national laboratories—they are our secret weapon for job growth—and about the importance of the physical sciences. We are going to wake up 10 years from now and wonder what happened to us when the insourcing of brains slows down and our investments in science technology slows down and our job standard of living slows down. So the best way to stop the outsourcing of jobs is to continue the insourcing of brains and creating better brain power here. And no one else in the world has anything like our national laboratories. And that, plus our research at universities—need to work together.

And I mentioned to you in our private meetings that I hope you or Margaret Spellings, at Education, will consider yourself a point person on all the advanced research, science, technology, and higher education we do to call attention to that, because we just—we take it for granted, but, 10 years from now, we'll be wondering why some of us did not do something.

I include, by that, hydrogen and fusion and the issues on down the road which are very serious, serious issues, and the work done at the Oak Ridge National Laboratory on Spallation Neutron Source. That's very advanced work. We know how to do this.

Second, the chairman emphasizes nuclear power. Seventy percent of our emissions-free electricity produced in this country comes from the nuclear power plants, which generate only 20 percent of the power. So we want clean air, we need clean energy; and, to provide a lot of it, nuclear power is the obvious answer.

So I hope you will focus on helping that. And this is somewhat parochial, but we have a big Federal power company down in my neck of the woods, called TVA, that is opening a nuclear power plant, and could open a second, and could open a third. And I think it ought to be in a consortium with private power plants and lots of others, with encouragement from us to use its autonomy to show how we can build these billion-and-a-half-dollar prototype nuclear

power plants so we can do what France is doing and provide power and clean the air.

Also, we do not like paying \$700 million into Yucca Mountain and not have it used. I mean, that's an 8 percent increase on our electric rates for 2 years, or enough money to put scrubbers on the two power plants closest to the Great Smoky Mountain National Park which are polluting the air there. So that's—I am glad you mentioned that.

Third, coal. We're the Saudi Arabia of coal. We say that. You'll have a role in your Department in what's called the Clean Air Interstate Rule. And it's been the habit of the Department of Energy to weaken it, because our technology doesn't produce the production of coal in a clean enough way so that we can meet those standards. I hope you do not weaken it. I mean, we've got the most polluted national park, and the Great Smokies in the Knoxville area, right outside, is one of the most polluted part of the country. We need a stronger clean-air program, not a weaker one. And the way to do that is to encourage coal gasification and to find some way down the road to sequester the carbon. You'd find a lot of coal-State Senators—Tennessee doesn't produce much coal anymore—but a lot of coal-State Senators and liberal environmental groups working together with you on that because of—because that will set a standard for the world, and maybe China and India would build our new-technology clean coal instead of old-technology clean coal, which will pollute them and pollute us and make what we do about clean air not worth much.

And, finally—I see the red light's on—Senator Domenici has a round table on natural gas, and our farmers and our chemical industry—there are a million jobs in the chemical industry—we do not want that in Germany. We want those jobs here.

Thank you.

Dr. BODMAN. Thank you, sir.

The CHAIRMAN. Well, Senator, you did not have a question.

Senator ALEXANDER. Well, I did, but I was out of time. So I will—

The CHAIRMAN. That's correct.

Senator ALEXANDER. Well, let me ask—

The CHAIRMAN. You did not have to ask it. I was just—

Senator ALEXANDER. Well, maybe—

Senator ALLEN. Why do you not say, "Don't you agree?"

Senator ALEXANDER. I could say that. Maybe he would give me a succinct response on coal, since I know you'll ask about nuclear energy, Mr. Chairman.

The CHAIRMAN. No—succinct after that lengthy and beautiful and learned treatise, perhaps in, say, 30 seconds—could you do that in 30 seconds?

Dr. BODMAN. Coal. Coal is the dominant source of our electric energy in this country. We simply need to do a better job. The administration has proposed, and the Department has pursued, a number of initiatives with respect to coal, or so-called clean-coal power initiatives, and I am sure, you are aware of that. And you have my commitment that these will have a very high place in my hierarchy of issues to pursue.

Senator ALEXANDER. Thank you.

The CHAIRMAN. Thank you very much.

Senator Smith. Mr. Chairman?

The CHAIRMAN. Yes?

Senator Smith. A question.

The CHAIRMAN. Please.

Senator Smith. I apologize. I and a number of us are between two hearings and if the timing doesn't work out right, may we submit written questions to the nominee?

The CHAIRMAN. You may submit them, and they've been asked to have a turnaround that's very fast.

Senator Smith. Thank you, Mr. Chairman.

The CHAIRMAN. Of course, we'd like to get the confirmation vote quickly.

Senator Smith. Thank you.

The CHAIRMAN. But you may do that.

Senator Smith. I have three questions.

The CHAIRMAN. Okay. And yes, that has to be done by today. If you have them ready, would you or your staff do that?

And my list says that the next Senator would be Senator Martinez, followed by Senator Salazar. So might we proceed? And, Senator Murkowski, you're next, after that.

Senator MARTINEZ. Thank you, Mr. Chairman.

Secretary Bodman, it's a pleasure to participate in your confirmation hearing, sir. I know that we also should take a moment to thank outgoing Secretary Spencer Abraham, with whom I had a high honor of serving in the Cabinet with, and who I consider a great friend and to have been not only a great Senator, but also a great Secretary of Energy. And I know, from my work with the nominee and the administration, that he was always known—had a great reputation for someone who had tremendous competence and an ability to get things done. And I know that will be true, as well, in your endeavors in the Department of Energy. So I look forward to supporting your nomination, and voting on your nomination. I consider it a real privilege and an honor to do so.

On a couple of parochial notes—and I think those are perfectly appropriate for all of us, I suppose—but in the Florida International University in Miami, we have the Hemispheric Center for Environmental Technology. It is a place where a lot of innovation is taking place, and partnership, and in work with our hemisphere, which I think is so increasingly important, not only in the issues of energy, but, really, in issues of trade and commerce, as well. And I would hope that you would have an interest in that program, and, at some point when it was feasible for you, that you might even visit us when you might be in Florida so that you can get even better acquainted with that particular program.

Dr. BODMAN. I am unfamiliar with the program, Senator, but I'd be very anxious to learn about it. I'd be particularly anxious to learn about it tonight, I think, or tomorrow, with looking outside at the weather.

Senator MARTINEZ. Yes, sir. Well, come down, and it'll be still that—the variance between the temperatures will still be great for several months to come, so you can come in the next few weeks, if you can.

Last year, the Department of Energy announced that they had selected the Southern Company and Orlando Utilities Commission to build a \$557 million advanced-coal gasification facility in Central Florida as part of the Clean Coal Power Initiative. And I was on the board of the Orlando Utilities Commission. It's a municipal-owned utility in Orlando, and I was its president and participated in the construction of a coal-fired plant there in the mid 1990's. And I am delighted that the Department of Energy provided part of the funding for this project to go forward. It's a public/private partnership, and it's going to, hopefully, expedite the development—the commercial development of gasification technologies, which I think would help the country greatly. And I was—my question really is, Would you be committed to continuing this type of public/private partnerships? And would you, again, take an interest in this particular project that we have in central Florida?

Dr. BODMAN. Senator, I cannot speak to that specific project, because I am not aware of it. I can tell you that public/private partnerships are central to the strategy of this Department, and certainly the CCPI is a good example of that, and I would expect to continue that in the years ahead. So I would—without commenting on the specific project, I certainly can tell you that, in general, it is something that I would look on very favorably.

Senator MARTINEZ. Mr. Chairman, I am through with my questions. I look forward to the confirmation of this nominee. I know that the President seems to have the great good judgment he exercised in the first term in appointing great people to the Cabinet in the second term.

[Laughter.]

Senator MARTINEZ. So, anyway, I look forward to your confirmation.

Dr. BODMAN. Thank you, sir.

The CHAIRMAN. Okay.

Senator Salazar.

Senator SALAZAR. Thank you, Mr. Chairman, Senator Bingaman, and Members of the committee. It is, again, an honor for me to be a Member of this committee.

And, Mr. Bodman, I congratulate you and look forward to working with you.

The CHAIRMAN. You might pull the microphone down a little.

Senator SALAZAR. Can you hear me?

The CHAIRMAN. That's good.

Senator SALAZAR. First of all, let me just say, I have a number of questions—nine questions—and I would appreciate your response to those questions in writing, because I do not know that we'll be able to get through all those questions in the time that we have today.

I want to ask you a question about renewable energy. In my own State of Colorado, we have seen renewable energy do a number of good things for our State. In the rural areas of Colorado, on the Eastern Plains, we have wind farms that have come into play in the last several years, which are doing a lot of good things for the communities out on the Eastern Plains.

Is that a microphone problem?

The CHAIRMAN. No, we are trying to figure it out, but I do not think it's—as long as we can be heard, maybe you can proceed. We understand it's nothing risky. So—

Senator SALAZAR. Not a warning?

The CHAIRMAN. No, it's not a warning. It's nothing like that.

Senator SALAZAR. From my point of view, renewable energy is really important, first of all, because it helps us get rid of the overdependence on foreign oil. Second, it's good for economic development, especially in our rural communities of our Nation. And, third, it's good for our environment. And my question to you is this. If you can speak to specifics, in terms of how you would move forward in embracing a renewable energy ethic for our country? It's easy, I think, in this area, to sometimes do a lot of talking about renewable energy, and I'd like to hear from you how we intend to walk the talk as we move forward with the energy policy of the country with respect to renewable energy. And specifically, and related to that in a parochial way, we have the National Renewable Energy Labs in Golden, Colorado, and we have a groundbreaking for the new Science and Technology Lab that's coming up in this next month. One, I would invite you to come out there and to be a part of what is going to be happening out there, and, two, I would also ask you to support, in the capital construction budget for 2006, the continued operations of that lab and the new part of that lab that will be opened up, hopefully, within the next couple of years.

Dr. BODMAN. As to renewable energy, sir, the first part of the question that you asked—I have not, at this time, reviewed all of the different programs. There are a number of them within the Department. I can tell you that I remain quite enthused about the prospects for a number of them—wind being one—where, at least based on inquiries that I have made, preliminary ones, there seems to be the prospect of being able to produce energy, particularly if we can do it near a population center, where we are not dealing with a great length of transmission.

An area that has not been as successful—as I had forecast some years ago is in the photovoltaic area, or solar energy. One would hope that, with the work that's gone on in the nanomaterial area, with the possibility of new devices, that we could see some progress there.

So it's hard for me to be more specific than that, other than to tell you that, as a general matter, I tend to be rather hands-on, and the folks who are involved in these efforts at the Department would find a willing ear to listen, and, I hope, a good questioner, as to what our past practices have been, and encouragement on being more aggressive in these matters, because I do think we need to be successful.

Senator SALAZAR. That's right.

Dr. BODMAN. I cannot comment on my schedule, as to the opening of the laboratory in Golden, but I will certainly do my best to try to be responsive to your wishes.

Senator SALAZAR. Thank you.

Let me ask you another parochial question. This relates to Rocky Flats, but it's actually applicable to all other States where we have cleanup of nuclear facilities underway. Rocky Flats, in Colorado, has become, I think, a role model for how we do cleanups around

the country, and it's a project that we have put together on a bipartisan basis, and there's a lot of pride in the achievement that we have out there at Rocky Flats.

We have, in Colorado, put together State legislation that allows us to put institutional controls into place so that we can safeguard land that is not completely cleaned up, as is the case in Rocky Flats, from future development. And it's a way which I think the states are being very effective at trying to address the cleanup challenges that we face at some of these facilities.

We've had problems, frankly, with the Department of Energy and the Federal Government, in terms of recognizing our State law. And I do not know if you are familiar with that kind of detail at this point in time, but it's something that I would ask you to look into, and hopefully support the bipartisan institutional controls that we have created in the state of Colorado.

Dr. BODMAN. I am not familiar with it, so I cannot comment on it specifically, but I would be happy to look into it. And I would be happy to discuss the matter with you, sir, once I learn a little bit more about it. It sounds, on the surface, to be a reasonable thing to do, but I would like to have the chance to understand some of the details.

Senator SALAZAR. Thank you, Dr. Bodman. I see I have some more time. One more question here, and that is, I know last year, with the energy bill, there was lots of debate about the Arctic National Wildlife Refuge—whether you drill there, whether you do not. It obviously is going to be a huge issue, probably, as this energy bill unfolds. Without thinking about a specific area—whether it's ANWR or the Roan Plateau in Colorado or other places—what kind of criteria do you envision using, in terms of area that you think are appropriate for development and areas that are not appropriate for development? Where would you draw the line?

Dr. BODMAN. The issues about where to develop and where not to develop is a function of the probability of success when one does seek hydrocarbon reserves. It also is a function of preserving the largest possible areas for environmental purposes, while also trying to seek out additional supplies of energy. It's always a matter of trying to strike a balance. I am a newcomer here; and so, I have spent the last 6 weeks reading materials. I haven't even yet visited the Energy building. Some tell me that that's an advantage, not to have been there, but I have not been there, so I cannot really comment on it. I would tell you that, at least based on my experience to date, I think you would find that I would pursue this in a fashion that is balanced. As we try to address the problems we have, we need to worry about supply, we need to worry about being more efficient in the use of our energy that we have available to us now, we have to repair the infrastructure, or add to the infrastructure, so we can deliver, particularly, electrical energy to our citizens around this country, and we have to seek out new and, hopefully, renewable ways of dealing with problems so that we will minimize the effects on the environment. And in all of these areas, I think it calls out for a balance. And I would seek out additional supplies of energy—materials for energy only at the same time that we would seek out all these other things with equal emphasis.

The CHAIRMAN. Senator, thank you very much. Your time is expired. I know you have another, but—

Senator SALAZAR. I will—I have submitted my questions, and—

The CHAIRMAN. Very good.

Senator SALAZAR [continuing]. Hopefully will get an answer. And if you have a second round, I will have some other questions.

The CHAIRMAN. I would say, you did mention ANWR and the energy bill. I think it's fair to say that the ANWR was not an issue in the energy bill, but that's just a technical issue. It is a constant issue, but—you know, it's a filibuster item, for sure, so it doesn't generally—it doesn't generally go on a bill that you hope to pass, because it takes too long. But it'll come up, one way or another. I just want you to know that.

I know the Senator from Alaska would prefer that I not say anything about that, but, Senator, we are going to do everything we can, and now it's your turn.

Senator MURKOWSKI. Thank you. As if by cue, the ANWR subject comes up.

But before I jump to that, Dr. Bodman, I appreciate the opportunity that we had to visit a couple of weeks ago, and welcome to the committee here this afternoon.

I enjoyed reading your opening statement, kind of, the way you had separated out, first, the focus on the science and technology, and then moving to the very critical importance of a national energy policy. And we had a chance to speak a little bit about the science and technology component and the difficulties that we have in this country in explaining or educating the public on our energy sources, on how energy benefits us. And I have said, many, many times—and I am sure Members of this committee have heard it—that so many here in this country subscribe to the immaculate-conception theory of energy: It just happens. The lights turn on, our house is warm or cold, it just happens, but there's no connection between extraction of that coal or that oil or that natural gas and how it comes to be in this building and gives us that level of comfort or that ability to move. And I think that that's a challenge for you in this new position, as the Secretary of Energy, is helping to educate, because it's then when we can really explain how we use, how we consume this incredible source, this source that makes us the great Nation that we are, and a very comfortable nation, that we can explain why—why we have to have this balance, why we have to have the conservation. So you've got a tough job ahead of you there.

Moving to the national energy policy—and I appreciate your statement in the opening here, where you submit that you feel that this is amongst the most important matters to come before the Congress. I certainly agree with that, and I want to work with you to do everything that we can to make that happen. This country has been, for too many years, without a sound, balanced energy policy, and we want to make that a reality.

As I look through the comments I will stand before you and make the case that ANWR fits neatly within those categories of what it is that we are looking for when we are seeking increased domestic production in this country—a decreased reliance on foreign sources of oil, an ability to provide for this country in a man-

ner that can be balanced, that can be done in concert with the environment. With the technology that we are utilizing up north, we can do it right; we just need the permission of Congress to go there. And I want the assurance that you and your Department will work with us as we try to move forward to successfully open up ANWR to oil exploration and development in a responsible manner.

Dr. BODMAN. ANWR has been part of the energy policy that this administration has proposed, and I would expect to be an energetic advocate for it. I am an engineer, and I tend to think of things in, sort of, analogies—ANWR is about the size of South Carolina. The coastal region that contains the hydrocarbons is about the size of the State of Delaware, so it is a relatively modest fraction, 15 percent or so of the State—of the size of ANWR. And the surface area that would be needed, with the new drilling technologies, to pursue oil would be something about the size of Logan Airport, in my old home town, so it's very small. And I think that it can be done.

And the other point I would make is Senator Salazar asked about what my criteria were for seeking—for when to drill and how to drill. We regulate the drilling of oil and gas wells more effectively than any other country in the world of which I am aware. And, therefore, one of the criteria would be—I would rather see it go on in this country, where we have the kinds of laws and the kinds of due process that has been well exercised over many years. And I think it can be done. And so, I will be very energetic about it.

Senator MURKOWSKI. Well, I appreciate that short little educational exercise. It is important that people understand what it is exactly that we are talking about when we are talking about ANWR and oil exploration and drilling, and the size and the changes in technology that have allowed us to make the statements that I am making today, that we can do it responsibly. And if we are true global environmentalists, then we ought to want to drill responsibly in an area where we know we are doing it right, where we know we have the environmental safeguards, where we know we have that balance, rather than shipping those environmental woes, if you will, overseas or in places where they're not taking the concern.

I understand that my time is out. I do have some additional questions that I would like to ask you, about our natural-gas pipeline, up north. But I will extend to you an invitation to join us up north to look at ANWR for yourself, to come and talk to the residents in the one village that is in the area, and to have that field trip that I think will really allow you to be a hundred-percent advocate for an issue which, for us in Alaska, as the "energy bank," if you will—we need some help in educating the rest of the country. So we look forward to working with you on that.

Dr. BODMAN. Thank you, Senator.

Senator MURKOWSKI. Thank you.

The CHAIRMAN. Thank you very much, Senator.

First of all, I am very glad that you're back, because, not only was it a pleasure working with you, but I do believe it's important that you represent that issue in the way that you can, and we look forward to that.

Now, let's see, my records here show that the next Senator would be Senator Allen, followed by Senator Feinstein, followed by Senators Craig, Smith, and Bunning, but they are not here. So would you please proceed?

Senator ALLEN. Thank you, Mr. Chairman, and thank you for having this hearing. And I hope that we'll be able to act and vote on Mr. Bodman's nomination so that we'll have our Energy Secretary in place in the midst of this cold weather, where we do want reliable energy production.

So let me just say—let me incorporate, by reference, in the complete agreement with the insight and statement of Senator Alexander, as well as that of Senator Murkowski and all of their statements, including exploration of the North Slope of Alaska. I'll say the same thing—ANWR's the size of South Carolina; and it's half the size of Dulles Airport, where the actual exploration would occur.

I do believe that, out of all the legislation that we will be acting upon, whether it's eliminating the death tax, litigation reform, whether it's medical liability, whether it's class action, asbestos—all very important—judges getting fair consideration will be important—but the one measure that will have the largest impact, I think, in a variety of fronts, will be sound energy policy for this country.

It is important for three different reasons. No. 1, our security. We are far too dependent and reliant on foreign sources of energy. Second, it's important for jobs, and the jobs that'll be created, whether it's coal, whether it's natural gas, whether it's a variety of others. And then, third, it's our competitiveness. Our economy requires us as—to have the energy sources that are reliable, that are affordable. And, if you think of it, it's essential for lower diesel and gasoline prices for our transportation, electricity upon which all enterprises operate—if we do not have reliable and affordable electricity, however, that is generated; that's important—and natural gas. Natural gas, in my view, when you look at the permitting of power plants, so much of the base load is being provided by natural gas, which is like using bottled water to wash your dishes; it'll do the job, but it needs to be utilized for our chemical, plastics, fertilizer, paper, tire manufacturers. And if we lose those jobs in this country, because they're going to go to a country where they can get more affordable natural gas, those jobs are going to be lost. And it is important that we do have greater natural-gas production, as well.

But when you get into all of these efforts, you have to develop, here in this country, more, obviously, in oil and natural gas. Technology is the key to the future on so many fronts—in clean coal technology, hybrid and fuel-cell propulsion is important, in my view; solar photovoltaics are another.

Now, one of the things that was touched upon somewhat by Senator Alexander is some of the efforts that you all have in the Office of Science. It is a very important component of your Secretariat. And whether that's in the FutureGen projects or Clean Coal Power Initiative, I am all for those efforts to reduce CO₂ emissions. But the Office of Sciences is very important. About 40 percent—from my research, 40 percent of total funding for basic research in phys-

ical sciences is coming out of that department, so it's obviously important. It manages our ten world-class national labs, which are referred to, I think rightfully, as our crown jewels for our national research infrastructure.

We're proud to have the Jefferson Lab, in Virginia, where they have the—what they say—their free-electron laser is now the most powerful tunable laser in the world. And you say, “Oh, what the heck good is that?” Well, it helps in nanotechnology.

And nanotechnology—Ron Wyden, a Democratic Senator, and I led the effort about a little over a year ago—the President signed our bill—on nanotechnology. And it's going to be important in microelectronics, health, and life sciences. It's also going to be important in materials engineering, where you can get lighter, stronger materials.

Would you please share with us, Dr. Bodman, where you see nanotechnology, which I think is the next revolution so important for us, as Americans, to be in the lead—how do you see your Secretariat, in the Office of Science, assisting in the area of nanotechnology? You answered it, in passing, on the solar photovoltaic issue, to Senator Salazar. If you could, elaborate on some more specifics on nanotech, in particular.

Dr. BODMAN. Well, first, if I may say, Senator, I fully subscribe to your views with respect to the role of the Office of Science. The support of the physical sciences in our country has not grown. And we've seen this enormous growth of seven-, eight-, tenfold in the development of the life sciences. And the progress in the life sciences is heavily dependent on progress in the physical sciences. And so, it's great that it's happening in the life-science area, but we really need some attention, in terms of how we are dealing with the possibilities in the physical sciences. So I would, hopefully, be viewed as a strong voice in support of science, generally—physical sciences, in particular—in the administration.

With respect to nanotechnology, there are a number of things that will have an impact, particularly on energy. I mentioned, before, the possibility of photovoltaic cells, new kinds of batteries, which I think portend all kinds of possibilities. Anyplace that we are looking for the modification of physics and chemistry at a very molecular level, we are now able to start doing that. And so, these are very exciting times, when you go through the labs and take a look at it. I've not visited the Jefferson Lab, but I can believe that there will be all sorts of contributions to our way of life, to the life sciences, as well. So I would be very enthused about that.

Senator ALLEN. I look forward to working with you, and I appreciate your leadership.

Dr. BODMAN. Thank you, sir.

Senator ALLEN. Thank you, Mr. Chairman. My time is expired.

The CHAIRMAN. Well, Senator, I want to say that you're right on, your remarks. No question, the things you've addressed are terrific. Very important. Everybody is talking about Social Security reform for the future. Well, you know, if we do not have an energy policy, there are not going to be enough jobs to keep the base funding for Social Security. So what—this is a little more fundamental, I think, than any of them.

Having said that, I am going to now go to Senator Feinstein. Let me just say, Senator, it's been great working with you on some of the issues, even though the biggest one has been very parochial to California. We understand that you are very—one that is very desirous of exercising reciprocity. So we look forward to you helping us with ours.

Senator FEINSTEIN. Mr. Chairman, believe it or not, I did get that message—

[Laughter.]

Senator FEINSTEIN [continuing]. Even before the new year. And I look forward to helping, as well.

Dr. Bodman, welcome.

Dr. BODMAN. Thank you.

Senator FEINSTEIN. As you may know, I am a Californian. And, as you know, we've had some rough experiences with respect to energy—electricity, natural gas—some of which was due to a broken bill, in 1996; but the great bulk of it was really due to fraud and manipulation on the part of a number of companies. I do not really want to go into that now, but I just want to say that this could be a rough year, coming up, for California. Our Governor has tried to move production plants along, but, nonetheless, it's a complicated process, and the financial world has been such that it's been difficult for companies to get their long-term financing.

I would just like to ask that you keep an eye out. The Federal Energy Regulatory Commission, in my view, has not been strong in giving the kind of Federal protections for just rates of power. And, you know, as Enron and Mirant and El Paso and Dynegy and all of these companies have been fined for withholding power, this next year could be a difficult year. And I'd just like to ask if you would keep an eye out.

Dr. BODMAN. You certainly have that commitment, Senator.

Senator FEINSTEIN. Thank you very much.

Now I wanted to ask you, specifically on nuclear issues—these are not peaceful nuclear issues; this is the reopening of the door to new nuclear weapons specifically through a robust nuclear earth penetrator, tactical battlefield, low-yield—less than five kilotons—nuclear weapons, known as the Advanced Concepts Program, a modern pit facility that could produce plutonium pits at cold war rates, and enhanced test readiness. Last year, thanks to Chairman Hobson, in the House, on the Energy Appropriations Committee, and with some of us trying to help, we were able to prevent the funding of these programs.

My question to you is, Do you plan to request funding for the programs I have just enumerated, in the 2006 budget?

Dr. BODMAN. Senator, I cannot speak to the 2006 budget. I said this before you arrived, I have not looked at the 2006 budget for Energy. And as I also mentioned, I can tell you a lot about the Treasury Budget, because that's where I live. But I cannot really comment on what's in there, in terms of the Energy budget, so I cannot speak to it.

Senator FEINSTEIN. I guess the thing I would like to say to you is, I hope we can have a private discussion on the subject, because we've done a lot of study into the radioactivity of a nuclear bunker-buster, of the inability to have the shell casing strong enough to

drive a device a thousand feet into the ground to prevent the spewing of radiation. An eminent physicist, for example, Dr. Sidney Drell, at Stanford University, has said, there is no casing known to man that can sustain driving a missile a thousand feet underground; therefore, you would have a spewing of radiation.

There are many of us that believe, very passionately, that we should not—should not—reopen the nuclear door, that we have the most sophisticated conventional technology, and should not begin the production of new nuclear weapons, because all we do is spur other countries on to do the same thing. And I think this is a very strong underlay, sufficient enough last year to remove the funding. So I would very much appreciate an opportunity to talk with you sometime in depth about this, technically about it. And hopefully you will keep an open mind.

Dr. BODMAN. Senator, I would say two things. One, I would have to learn more about it before I would even endeavor to come and talk to you about it, which I will do at an early date. And you certainly have a commitment on my part that I'd be happy to visit with you about it. And your passion for this subject is well known.

Senator FEINSTEIN. Well, thank you very much.

Dr. BODMAN. And I understand it, and I will certainly do my best to try to understand what has been proposed and come talk to you about it.

Senator FEINSTEIN. Thank you very much.

Dr. BODMAN. You're very welcome.

Senator FEINSTEIN. I appreciate that.

Dr. BODMAN. Thank you.

Senator FEINSTEIN. Thanks, Mr. Chairman.

The CHAIRMAN. Thank you very much, Senator.

Now, let's see, Senator Craig, you are next. And we'll go a second round as soon as he's finished, if anybody has any.

Senator CRAIG.

Senator CRAIG. Welcome to the committee, Dr. Bodman.

Dr. BODMAN. Thank you, sir.

Senator CRAIG. Let me, first of all, thank you for another life you lived. And it was pre-Treasury. It was Commerce. Because of your effort at Commerce to begin to shape the scientific community to study climate change, myself and Senator Craig Thomas and Chairman Joe Barton, from the House Commerce Committee, were in Buenos Aires recently, for COP-10. And your effort, and the money we are putting with it, has given this country substantially greater credibility on the issue of climate change and the science that we are all struggling to understand and to get to, to make sound public policy.

And I must tell you that we, with great pride, stood before a variety of nations—in fact, we had numerous bilaterals—and that pride is a product of having—of being able to say that we are investing now, as a country, three times more than all the rest of the world combined, in the issue of climate change, in both science and technology. And, clearly, the science side was driven by the initiative that you launched while at the Department of Commerce.

I must also say that we, with great pride, said, "And when we complete this, we will share it with the rest of the world." And we will be a cleaner world, not because we fell in political lockstep

with Kyoto, but because we went well beyond it to drive the science and technology, to keep the lights of the world on, and to clean up our environment while doing so. In fact, it was at this conference that the environmental minister from Italy privately opined that, probably in 2012, they would have to back away from Kyoto, because they cannot afford to shut their economy off unless new technology comes along to meet the standards and the criteria of the 1990 levels of gas.

So, again, thank you for that initiative.

Dr. BODMAN. Thank you, sir.

Senator CRAIG. And not only now are you in even a greater position to pursue it, along with us, as we deal with these critical issues of clean coal technology and a variety of others—and it leads me to the two questions I have to ask you.

Clearly, the world now recognizes that they cannot shut the lights off in any nation, especially third-world nations, in anticipation of meeting certain environmental goals. And, as a result of that, whether it is here in this country, whether it's the initiative of this committee or our President, in you, or whether it's the world at large, clearly the recognition of building, not only national, but world base-loads of energy in the decades ahead on existing technologies and new technology in many ways falls at the feet of a nuclear industry, or the rebirth of an industry of that character, and we are working very hard on that, as you will be in your new position.

Do you think full-scale technology demonstrations of the type that is embodied in generation-four nuclear reactors, or what we call mixed generation nuclear plants, are important to advance the nuclear industry and nuclear energy?

Dr. BODMAN. Yes, sir.

Senator CRAIG. How do you see such demonstrations fitting into the overall nuclear energy program?

Dr. BODMAN. Well, there are a number of programs as—again, I have not been there, and not been doing it. And so, what you're going to get from me is an overview based on what I have learned from reading. But there are a number of initiatives that I believe make sense. I think the next-generation nuclear plant, the NNGP, which is a very high-temperature demonstration plant that is, at this point in time, estimated to be some—of the order of \$2 billion to get it built, I believe is something that, on the surface, makes sense. I have not looked at the work and talked to the people who are doing the technical work on it, which I would intend to do.

There are other initiatives that also make sense—the so-called 2010 Program, a nuclear program. We have built, in our country, a belief that nuclear plants cannot be built, and there's a fear of nuclear energy. The chairman has written about it in his book, and with great eloquence. And there is a concern about all this. And it—therefore, in order to, kind of, jump start the licensing program, to jump start the siting program—that's what this 2010 initiative is all about—and two grants, I believe, have already been made, one to Dominion and the other to so-called New Start—so I am enthused about both of those.

But before any of that happens, we are going to have to get real progress on Yucca and we've spoken to that already. And we are

going to have to overcome the legal and regulatory barriers that are before us in order to move that forward, and I am committed to do my best to try to do that.

Senator CRAIG. Well, my next question was going to be about Yucca. You've answered that. Let me move to the next.

An economic study released by the University of Chicago last year found that new nuclear plants could be extremely cost competitive with other sources of energy, and they spoke of breaking through that threshold. And you've already alluded to a variety of the steps necessary. What other steps do you believe should be taken by government in the overall remaining impediments that would effectively deploy additional nuclear plants?

Dr. BODMAN. I would be interested in looking at that Chicago study and see what they're comparing it to. Because the generation of energy we are in—by fossil fuel has suddenly gotten to be a much more expensive undertaking than it was even a short time ago.

Senator CRAIG. You're right, that study was done probably at \$4 gas, not \$6 gas.

Dr. BODMAN. Exactly. And so, therefore—

Senator CRAIG. And so, that did change the dynamics again.

Dr. BODMAN. And so, I think the things that can be done would be to update the competitive fuel prices so that we can get a better fix on just exactly what the competitive environment is. And then we can move along on the science and global climate change. There are a wide variety of views on just what global climate initiatives should be taken. But if there are any, as we complete the work on the science, they're not going to be cost-free. And so, the more progress we can make in understanding the science of the impact of carbon dioxide, if any, on global warming will be an important matter, I would think, in looking at nuclear fuel.

Senator CRAIG. Thank you much. My last question, Mr. Chairman.

Our new colleague from Colorado responsibly alluded to the effective cleanup of Yucca—or of Rocky Flats, of that being a prototype. And I do not disagree with that. I will say that when you clean up one place, you have some—you need someplace to go with that which you take from it. And in the case of Rocky Flat, Idaho was a repository of the materials that came from Colorado. So while Rocky Flat looks very good at this moment—and it should; it was well done—Idaho is a repository of your waste, Senator.

Now, having said that—

The CHAIRMAN. We're the repository for yours.

[Laughter.]

Senator CRAIG. We do not mind it. We do not mind it. We're processing it, responsibly and cleanly, so we can send it to the chairman.

[Laughter.]

Senator CRAIG. In other words, let us be honest about how we deal with the reality of our nuclear legacy and responsible cleanup. You've alluded, of course, to Yucca Mountain. There's a problem with Yucca Mountain. And if you take away all of the politics and you effectively open it within a reasonable timeframe, it's already full. And so, we really need to get out in front our headlights again,

and think beyond that as we talk about a new growing potential for nuclear generation, and, therefore, a waste stream that falls from it.

So while all are important, what now is important to me is your commitment that you will acquaint yourself with the agreements that have been made between the Department you are now inheriting and my state of Idaho as it relates to our cleanup and that responsibility.

Dr. BODMAN. Yes, sir, I'll certainly do that. I have been made aware of some of your concerns. I think these are called Batt Agreements, I believe, sir, meaning that the government—

Senator CRAIG. It is better known as the Batt Agreement, yes.

Dr. BODMAN. The Batt Agreement. And I am aware of your views, and I will certainly learn. I'll make it my business to learn far more about it than I do now. And I'll be happy to talk to you about it.

Senator CRAIG. And the date in which you will visit the facility to learn more?

[Laughter.]

Dr. BODMAN. I would, respectfully, defer an answer to that, sir.

The CHAIRMAN. He's got about six ahead of that.

Senator CRAIG. Oh, well, shucks.

[Laughter.]

Senator CRAIG. Dr. Bodman, congratulations, once again, on your nomination.

Dr. BODMAN. Thank you, sir.

Senator CRAIG. And we look forward to getting you confirmed rapidly, and getting you in position, and working with you on what we believe to be the final hours of the development of, and the voting on, and the signing of, by our President, a national energy policy for our country. Because all of my colleagues on this committee certainly know of its importance, and—as you do—if we can sustain ourselves long into the future with a competitive energy base, and I think you are now at the threshold of playing a very key role, not only in the final hours of that, but the implementation of it over the next 4 years.

Thank you.

Dr. BODMAN. Senator, thank you. I look forward to working with you and your colleague. Thank you.

The CHAIRMAN. Let's see, we have a new Senator, that's just joined us, from North Carolina. Where did you come from without a coat?

[Laughter.]

Senator BURR. Mr. Chairman, I've got that coat behind me. And after a 2-hour trip in from Georgetown, at a lunch, in this snowy thing, let me apologize to you and to the committee—

The CHAIRMAN. You needed to come in here to get refreshed, take off your coat.

Senator BURR. I would ask, Mr. Chairman, unanimous consent that my opening statement be made a part of the record.

The CHAIRMAN. It's going to be done.

[The prepared statement of Senator Burr follows:]

PREPARED STATEMENT OF HON. RICHARD BURR, U.S. SENATOR
FROM NORTH CAROLINA

Thank you Mr. Chairman. It is a pleasure to be here today and I look forward to working with you, Senator Bingaman and our other colleagues on the Committee.

Deputy Secretary Bodman, thank you for being here today and your willingness to accept the President's call to be nominated for this office. It is clearly not the most glamorous Cabinet level job and more often than not, only gains the spotlight when something has gone wrong rather than gone right. Your soon-to-be predecessor, Secretary Abraham, can attest to this, given the scant media attention paid to his accomplishments in curbing nuclear proliferation across the globe.

As a member of the House, I worked closely with this Administration and the previous one on formulating a comprehensive national energy policy. DOE, for the most part, has achieved its goals for implementing this policy, but it is now time for this Congress to take its responsibility seriously and finally pass comprehensive legislation. It will take the prodding and influence of DOE to help move this legislation along and I feel confident after having met with Mr. Bodman that this is a very real possibility.

Although the sense of urgency might have waned, the need for a long term energy policy is still just as imperative as it was at the beginning of the 21st century. The need itself is simple: We are experiencing a fundamental imbalance between energy supply and consumer demand. If we continue energy production and consumption at a rate equal to the one set in the 1990s, by 2020 we will be experiencing a shortfall of supply and demand of nearly 50%. This shortfall can only be made up in three ways: import more energy; improve energy efficiency even more than expected; and increase domestic energy supplies.

A diversified energy policy, like the one that passed both Houses of Congress but died in Conference last Session, will have far reaching effects on my state as well. An extension of the wind energy production tax credit will breathe new life into wind farm projects. Appalachian State University has identified areas in western North Carolina that might be the most suitable locations in the Southeast for developing wind farms. A production tax credit for energy generated from animal waste opens new opportunities for energy production, innovative and useful methods of waste disposal and increased farm income for North Carolina hog and poultry farmers.

Our soybean farmers will also benefit from programs that encourage the production of biodiesel fuels from soybean oil. Corn, sweet potato and even tobacco farmers will benefit from the ethanol provisions in this bill, as demand for products that can be converted into ethanol-blended fuels will increase.

A comprehensive energy policy will go a long way to retain jobs in our country as well as create new jobs throughout the country. By allowing the Southeast, which enjoys cheap and reliable power, to develop our electric marketplaces as we see fit, we will see jobs retained in North Carolina and throughout the South. Knowing that the cost of electricity is one of the highest overhead costs manufacturers and factories assume, keeping costs low and reliability high will lead to the return of more manufacturing jobs to our region of the country.

I look forward to hearing Mr. Bodman's vision on what areas of the domestic energy policy must be addressed by this Congress in order for our country to have a comprehensive, diversified long-term energy policy that will meet the needs of a 21st century economy.

I will also be interested to hear our witness's views on how best to get the Yucca Mountain repository project back on track. It is becoming evident that in one way or another, our country will be entertaining the idea of international global climate change agreements in the foreseeable future. I am of the opinion that in order for us to negotiate any agreements, we must have a viable and robust nuclear generation sector. Nuclear power has allowed us to avoid more than 2 billion tons in carbon emissions since the 1970's. In 1999, nuclear power plants provided about half of the total carbon reductions achieved by U.S. industry under the federal voluntary reporting program. Without this component of electric generation, our manufacturing industry and other energy-intensive businesses will be at a stark disadvantage to businesses in countries that might not have the stringent emissions reduction levels we can expect here in the United States.

We cannot, however, promote this nuclear generation option without first addressing the future of the permanent disposal of nuclear waste. I look forward to hearing Mr. Bodman's plans for getting the Yucca Mountain project back on track with the goal of receiving waste in the coming decade.

Finally, I look forward to hearing Mr. Bodman's opinions on the roles and responsibilities of Federal Energy Regulatory Commission (FERC) and state utility com-

missions that oversee our electric transmission systems. Over the past four years, I have grown increasingly concerned with some of the actions FERC has taken or attempted to take that would encroach or outright supersede the legal responsibilities of state Public Utility Commissions, especially in states like North Carolina that enjoy low-cost, reliable electricity.

Again, welcome to the hearing and I look forward to working with you and your staff in the coming Administration.

Senator BURR. And I would only ask the Secretary, can you do anything about snow removal in Washington, DC?

[Laughter.]

Dr. BODMAN. I live here, sir, and I've been struggling with that myself.

Senator BURR. Mr. Chairman, I certainly hope our colleagues will support the President's nominee, here. I cannot think of anybody more intelligent to be placed over at the Department of Energy, a very challenging agency as we talk about a very complex set of issues. And certainly I look forward working with you, not only on the nuclear issues that I am sure my colleagues have worn out today, but the issue of reliability in our transmission grid in the coming years. And I certainly welcome you here today.

Dr. BODMAN. Thank you, sir.

Senator BURR. Thank you, Mr. Chairman.

Dr. BODMAN. Appreciate it, sir.

The CHAIRMAN. Senator, I just wanted to repeat what I've told you privately, we are very pleased to have you. We do not have a monopoly, on this committee, from the West. You are very informed on the subjects, and—that we deal with—and we really welcome the input from another region on many of the issues; in particular, electricity.

Senator BURR. Thank you, Mr. Chairman.

The CHAIRMAN. You all, your State and surrounding ones, have been very big leaders in their part of the electric grid, and we want to make sure we work together on that.

Senator BURR. Thank you very much.

The CHAIRMAN. And we thank you very much. And, besides, the people here should know, you're very experienced, based upon your House work, so—you'll find us a little different, in that we take a lot longer to get things done.

Senator BURR. I've noticed that.

[Laughter.]

The CHAIRMAN. And we do not attest to it, saying that it's that much better because we spend that much longer on it. We just say, "Our rules do not let us do it any quicker."

Senator BURR. Well, seeing Mr. Salazar in the chair next to you, I see how quickly change comes on the other side of the aisle, that he's now the Ranking Member on the committee.

The CHAIRMAN. On the full committee.

Okay. Now, Senator Wyden has just arrived, and he's a veteran. And even though we are—we should probably go on and let him go last, when we've all had our seconds, we won't do that; we'll call on you, right now.

Senator WYDEN. Well, Mr. Chairman, thank you. And you are always so thoughtful. And I am just glad you're beginning the new year in good health.

The CHAIRMAN. Thank you very much.

Senator WYDEN. And we look forward to working very closely with you.

I think the nominee knows that I am going to ask this question, but, in our part of the world, of course, we feel very strongly about the concept of privatizing Bonneville Power. And I want to ask you, as I did with our former colleague and friend, Spencer Abraham, that question, right out of the box. Privatization would just be poison for our part of the world, and it would mean a whole lot to me, Dr. Bodman, if you would just take that off the table this afternoon as any kind of concept that the administration is looking at, as it relates to Bonneville.

Dr. BODMAN. As I mentioned to you in my visit to your office, Senator, I am personally opposed to the privatization of Bonneville. And to the best of my knowledge, that's also the position of this administration.

Senator WYDEN. All right. I hope that you'll be sure if there's any change in that, in any way, shape, or form, that we'll be advised about that, because what happens is, individuals in your shoes come before us, and then there is pressure from other parts of the country, and, all of a sudden, it's back on the table. You have taken it off the table this afternoon. We appreciate that. That is good news for our region's economy. And certainly we want to be on ready alert if anyone tries to take it in a different course.

The second area I want to talk to you about is what we talked about also in the office, and that is, What can be done to make energy policy more bipartisan? I mean, I am of the view that we desperately need a fresh approach in this field. I think the country is hungry for it. I think, for example, we could make our Nation the green-energy capital of the world, because there is that kind of bipartisan support in the Congress for it. But it seems like we are just continually fighting yesterday's battle. We're going to have the same fight about ANWR, we are going to have the same fight about CAFE standards, we are going to have the same battles that we have had again and again.

And I think I mentioned to you, for example, Congressman Cox and I have what we think is a breakthrough approach on hydrogen vehicles that has been backed by both the automobile industry and by the environmental community. And that's the kind of approach that we'd like to pursue with you.

So your thoughts on what could be done to make sure that this effort is tackled in a more bipartisan way would be helpful.

Dr. BODMAN. Senator, I can tell you, I have just—I guess, in my own way, just conducted my own poll of the Members of the committee. I've seen not quite every one of you, but almost every one during the last 6 weeks, and I can tell you that there is, without exception, a great enthusiasm about having an integrated energy policy bill taken up by Congress, so that there seems to be a lot of enthusiasm among your fellow Members of the committee. I would be very eager to work with you, and work with other Members of the committee, on success there.

I believe that it's fair to say—I think I discussed with you, when I was there—that this administration, I think, at least in my judgment, should get pretty good marks for having proposed a pretty balanced portfolio, whether it's developing supply, on the one hand,

greater efficiency, on the other hand, new technology, whether it's in the nuclear area or coal, hydrogen, a whole range of proposals that I'd describe as balanced. And I think, if I may say, that that strikes me as one approach to the problem. And I would hope we could continue to talk with one another, and that we could continue to make progress there.

I did, sir, take the opportunity, following our meeting, to read your bill and to do a little homework on it. And it strikes me that there are a lot of good ideas in that bill and that as I asked around about it among those in the Department that have been working on it, the one objection that I heard was that of timing, that the concern was that the development of technology for hydrogen vehicles was lagging that which we had all hoped that it would be, and that putting a lot of incentives out to create supply of hydrogen, without having the technology to go with it, was a question. And I thought that was a fair question to ask.

And so, I would hope that, if we get through this program, and if I am confirmed, I'd be very happy to sit down and talk with you to see if there are areas where we have common ground.

Senator WYDEN. I appreciate your thoughts on this. The point is, of course, that this is a marketplace approach. And so, if the marketplace doesn't find the incentives attractive, then you're not going to spend any money. That's the whole point of the exercise.

Dr. BODMAN. I understand, sir.

Senator WYDEN. And I really hope that we can be bolder. I know Senator Sununu, for example, asked the Department of Energy's Energy Information Administration (EIA), in effect, to do a report on last year's energy bill, and EIA said it would not do much in the area of promoting conservation. Now, this isn't a bunch of Democrats; this is the administration's own Energy Information Office—said that the bill would not do much in terms of promoting conservation. So that's why I'd like to see if we could work, in a bipartisan way, to be bolder.

One last point, and the chairman's been very gracious, and I appreciate the time. As you know, in our part of the world people feel passionately about the question of cleaning up Hanford. And there is great concern that the administration, for example, may close these dangerous tanks without cleaning them up to a high standard that protects the health and safety of the region. Can you give us a commitment today that the Department will pursue, very vigorously, the cleanup of Hanford, and, in particular, that the Department will clean up the Hanford tanks so as to leave no more than 1 percent of the waste that remains in the tanks? That was what we had been pledged earlier, and there's concern that that commitment may be wavering a bit.

Dr. BODMAN. I think, as I understand it, sir, that there is a so-called TriParty Agreement among the Department of Energy, the EPA, and the State of Washington, in which that 99 percent number is included. And I think it's very important that the Department honor its commitments, and I would plan to see to it that we honor it.

Senator WYDEN. All right.

Mr. Chairman, I'd also like to just state, for the record, that I intend to vote for the nominee. I think that he's indicated a respon-

siveness and a willingness to look at these issues in a creative kind of way, and I will be supporting him.

Thank you, Mr. Chairman.

The CHAIRMAN. Well, thank you very much. I am glad to hear that. We're going to have that meeting to vote on him, on Wednesday—

Senator WYDEN. Very good.

The CHAIRMAN [continuing]. But I'll make that announcement shortly.

I understand, Senator Murkowski, you have one question. And might I ask, Senator Salazar, do you have another one, or are we finished?

Senator SALAZAR. Sixty second statement.

The CHAIRMAN. Sure, of course.

Senator.

Senator MURKOWSKI. Thank you, Mr. Chairman.

When I left off, I promised I would come back and just touch on the subject of the natural-gas pipeline. And I want to thank you, Mr. Chairman, as you're walking out. We are having hearings this coming Monday, the 24th, on natural-gas supply, an opportunity, too, to look at, perhaps, more creative ways that we can meet the ever-increasing demand for natural gas in this country. Senator Alexander and Senator Allen, to my right here, earlier were talking about the impact in their States to manufacturing, to businesses, as we see that pinch, that squeeze, on the supplies of natural gas. We know that we need to figure out the way that we can bring more natural gas into this country.

I referred earlier to Alaska being that energy bank for oil. We can do the same for natural gas. But we are a long ways away from the rest of the country here. And we are making great progress with movement toward a natural-gas pipeline that will bring our natural gas down from the North Slope, possibly through Canada, and into the Midwest, to meet the needs here.

This is a tremendous project. We're talking about a 3,500-mile pipe. We were successful, in the last Congress, in getting some fiscal incentives necessary, from the Federal level. That's going to help a great deal. The state is in the process now of taking applications from interested parties as to how we move forward.

There's still much that needs to be done at the State level, but this is a complex, incredible engineering project. It will be the largest project—construction project of its kind. We'll require crossing from the U.S. side in Alaska, into Canada, and coming out the other end. We will need help from the Department, we will need help from the administration in working through the complexities of this.

We've had an opportunity to have the commissioners of the FERC, the Federal Energy Regulatory Commission, up north for a hearing to meet with interested parties about issues like open season and access and how we make this incredible project work.

But I do anticipate that the role and the assistance that we will be seeking from your Department and—should you be confirmed, which I certainly anticipate that you will be, and in a very comfortable way—that we can count on your support, as we move forward, to making this project in—a reality in the short term.

Dr. BODMAN. You certainly have my support, Senator, for two reasons. One, I believe that it's important that it be done, for all the reasons that I mentioned before. This is one of the components of the balance that I believe has been in the program. And, second, as I understand it, if I am confirmed I will have some responsibility, specifically, for the undertakings of this bill. And so, for both personal reasons and those that have been legislated, you will have my support.

Senator MURKOWSKI. Good. Well, I appreciate that. I think we are going to be able to spend a lot of time with one another, and that can, hopefully, be a good thing for both of us.

Dr. BODMAN. I hope so.

Senator MURKOWSKI. I just want to comment, very briefly, on the statement that came from Senator Wyden, since I still have a couple of minutes remaining here. He asked, What can we do to make an energy policy less partisan? And that's something that I think we, in this committee, struggled with as we were trying to advance a good, well-rounded, balanced energy policy in this last session.

And it goes back to the—kind of, the quandary that we deal with when we talk about energy. It's not like Republicans consume differently than Democrats. Maybe some of the vehicles are a little bit different, but, at the end of the day, there really isn't that much difference when you're talking about Republicans versus Democrats and how we use our energy.

And, again, I think this takes us back to educating Americans about our energy use—where it comes from, why it is that we need it, and what we can do to ensure that we have these comforts that we all like, regardless of political persuasion, and figure out how we make that happen.

We do need to work on the conservation, we do need to work on renewables. I guess I, kind of, get branded, because I come from a State that's rich in these fossilized fuels, that that's all we think about. We have an opportunity, in Alaska, to do some incredible, remarkable things with renewables, whether it's wind or geothermal or, believe it or not, solar. We've got 24-hour daylight during the summertime. We have opportunities in these areas, and we want to be on the receiving end of some of this research and technology that I know you're going to be focusing on.

But it really causes you to think, Why do we have to be so political about a comprehensive energy policy, when it's really in all Americans' best interests, regardless of political persuasion.

So we'll keep working on it, Mr. Chairman. And I, personally, want to thank you for all the efforts that you have made and I know you will continue to make. Thank you for the extra time.

The CHAIRMAN. We have to do better.

Senator MURKOWSKI. We will.

The CHAIRMAN. Senator Salazar.

Senator SALAZAR. Thank you, Mr. Chairman.

I just want to make a comment to you and to Senator Bingaman. For me, sitting on this committee with you and with Senator Bingaman is a great source of pride, because my family settled your capital city of Santa Fe, New Mexico, almost 407 years ago. And for the last 150 years, my family has farmed the same farm, 110 miles north of Santa Fe, New Mexico. And to come back to the

circle where I now get to sit on the committee of the two Senators from the Land of Enchantment is something that, for me, is a great moment of personal pride. So thank you very much.

The CHAIRMAN. Thank you very much, Senator. It's mutual. We're delighted. And we do not know each other, but I think what I see and hear—and I hope it's mutual—there should be no reason why we cannot do a lot of things together. And I think that if Senator Bingaman was here, he would say the same. Not that there are three New Mexico Senators. Clearly, you are Coloradan.

[Laughter.]

The CHAIRMAN. In fact, I do not want to make that mistake. Somebody ran against me once, and had some friends of his make a statement, "If you elect Domenici's opponent, Texas will have three Senators."

[Laughter.]

The CHAIRMAN. And do you know what? That appeared at every house in New Mexico, "Domenici's opponent's going to be the Senator from Texas." You know what? He lost.

Senator SALAZAR. He lost to—someone reminded me, Mr. Chairman, that, in front of the word "Senator" there's the words "United States". So I think we'll work together.

The CHAIRMAN. Let me do a couple of things.

First, just for the record, to emphasize what Senator Bingaman said, and what you said in your opening remarks about science, somehow or another, Mr. Bodman—Dr. Bodman, we are not able to have either the Congress, the executive branch, or the country understand what a huge investment in science and research your Department is. I mean, we just had somebody bring up the budget numbers so we could just state it—3.6 billion is the estimate of what's spent on science and science research by the Department of Energy in this country. You know, it could really be the Department of Science, but then, if we tried to do that, all those that have science would get very mad around here, and we'd have to call it something else. So we are going to keep it there.

That's important for you to know, but it's also important for you to know that we very much would like to find innovative ways to put that effort to work for the real basic problems, as discussed here by both Senator Alexander and Senator Bingaman, about America's future in the natural sciences.

You already know. We do not lack an investment in human science. You know, we have doubled, and more, National Institutes of Health and their internal and external funding in a period of 8 years. Nothing like that has occurred anywhere else on all the rest of the sciences, combined. So, clearly, one's deficient. But it's also deficient because others are doing a lot more. You want to—if you want to know of one, Senator Bingaman just came back from one: India. He's going to do something—already, something incredibly—to make them incredibly competitive, that—we are just sitting by and looking, aghast, at what they're doing. So we'd like that to be known.

Second, the NNSA, we spoke of it, the National Nuclear Security Administration. I want to tell you that I've got a general letter for you that I will also share with Senator Bingaman, on my thoughts. And I'll give it to you today. But I really believe you must do

what's in the statute, or you should recommend that we do—get rid of it. I mean, we worked too hard to set this up to have it only partially implemented. And if you really think it won't work, and you would rather run it all yourself out of the Secretary's office, let us know. We'll give consideration to it. But I think, so long as it's on the books, you ought to implement it. You know that.

Dr. BODMAN. If it's on the books, sir, I will implement it. And I will and I will do it, because, based on the work that I have done heretofore, it seems to me that it can be made to work just fine. And so, I will endeavor to do that.

The CHAIRMAN. Well, essentially, the work on nuclear-defense activities is not the same as the myriad of other activities. And so, it might have to have different rules. And, essentially, that's the premise. Should it have the same rules that all the rest of the Department does, with reference to the administrative functions, the regulations, the environmental considerations, or should it have its own set? And we concluded it should have its own set, run by a deputy secretary or a director of this entity. That's what it's all about.

My last observation has to do with the Energy Information's current studies on—there's a wonderful package of them that we would hope you would get. In fact, we will specifically call them to your attention and give them to you, and you'll—they're there. It's our agency that did it. It sets forth the next 25 years and what our needs, and what the source of fulfilling the needs, are. And I think when you finish looking at it, you will be astounded, because that says, if you're going to meet the needs in 25 years—27 years, there will be a void of huge, huge, quads of energy for electricity that you currently do not know how to fill. So they assume it would be filled by natural gas, except they assume that natural gas will be imported. So they assume it will be filled by LNG. And that's a wonderful product. The problem is, it's all from overseas. So we get rid of one dependence, create another one. But we only have a little—a few ways to import it into the country. We would have to increase, by 13-fold, the means of importing LNG, total facilities, to bring it in. We haven't been able to do a second one in years.

We cannot sit around and say, "We do not know how to do this. Where are we going to get it?" Because the second answer is, you're just going to multiple coal-burning power plants. And we ought to do coal, but we cannot just turn on that spigot without doing something better about the environment, either through its improvement or something. Now, nuclear is part of it, but not for the next 10 or 12, 14 years.

But I think that kind of basic thing is your problem. It's no longer, "Well, I am not the Secretary for that." You are. And you have to be telling us how to fix that. That's big, big stuff for our people. How do we, just in a general way, do that? We're not dumb. We know what we need. Right? When you read that, you'll know what we need.

In fact, I will close by telling you, if you want to figure out whether a country has any substantial material wealth, just look at two things. Look at how much electricity they have, and how much clean water they have, and you'll determine whether they have very much on their plate. Because if they do not have elec-

tricity and they do not have clean water, they're in pretty bad shape. That's the truth in the world, and we surely have a part in trying to help fix that.

With that, an announcement. We're going to have a—going to schedule a meeting for Wednesday. You do not have to be here. That's a business meeting to consider the nomination on the favorability of a report on your nomination. For the record, to facilitate that process, any additional questions by the Senators should be submitted by the close of business today. And, Doctor, we would like you to respond by noon on Tuesday. You'll want to share in the inauguration festivities, but some of that time over the weekend you will share your time in answering the questions that we give you, if you want to get them in on time and if you want to be confirmed.

Dr. BODMAN. I am happy to do it, Senator.

The CHAIRMAN. With that, we are in recess.

[Whereupon, at 4:30 p.m., the hearing was adjourned.]

APPENDIXES

APPENDIX I

Responses to Additional Questions

DEPARTMENT OF ENERGY,
OFFICE OF CONGRESSIONAL AND INTERGOVERNMENTAL AFFAIRS,
Washington, DC, January 25, 2005.

Hon. PETE V. DOMENICI,
Chairman, Committee on Energy and Natural Resources, U.S. Senate, Washington, DC.

DEAR CHAIRMAN DOMENICI: I am enclosing answers to the questions that were submitted to Department of Energy Secretary-Designate Samuel W. Bodman by Members of the Senate Committee on Energy and Natural Resources.

He would be pleased to answer any further questions that you might have.

Sincerely,

JILL L. SIGAL,
Acting Assistant Secretary.

[Enclosure.]

QUESTIONS FROM SENATOR THOMAS

Question 1. Our nation needs a comprehensive, progressive energy policy to achieve energy independence. We fell two votes shy of passing such a policy in 2003.

Your predecessor, Secretary Abraham, and his staff played a very active role and traveled up to the Hill many times to meet with us during negotiations of the first energy bill. However, during subsequent endeavors, he did not play such an active role. I felt his leadership and involvement was pivotal. Do you see yourself and your staff playing an active role?

Answer. If confirmed, my staff and I will be an aggressive advocate for comprehensive energy legislation.

Question 2. Research and development, and investment in our existing infrastructure, are critical to a successful policy that achieves energy independence. But R&D and infrastructure investment are extremely expensive. How will we pay for these initiatives when the federal government is facing significant deficits for the foreseeable future?

Answer. I agree that R&D and investment in our infrastructure, as well as investment in future upgrades to the nation's transmission grid, is important. However, I have not had the opportunity to review specific research and development proposals or all of the various mechanisms for directly or indirectly encouraging investment in our energy infrastructure. If confirmed, I will review this issue and look forward to working with you.

Question 3. Our nation is blessed with incredible coal reserves that can be used to generate our nation's power for decades. Do you have any thoughts on how to make better use of this abundant resource?

Answer. We need to develop technologies that make the use of coal cleaner and more efficient. That is the primary purpose of the Clean Coal Power Initiative and FutureGen activities. The President's Clear Skies proposal is also a key element to the future of coal.

Question 4. Conversion of coal to hydrogen fuel is a promising initiative put forward by the President to increase U.S. use of cleaner burning fuels. Are you familiar with the FutureGen initiative and is the current \$1 billion commitment to the project sufficient?

Answer. I am familiar with the FutureGen program, but have not yet been briefed in detail so I am not yet prepared to comment on the budgetary aspects of the program.

Question 5. Much of our nation's natural resources are located great distances from markets. The current infrastructure is not designed to efficiently direct the resources to where they are needed. What role can the Federal government play to fix this problem?

Answer. As I noted during the confirmation hearing, it strikes me that we need to develop an approach that will take into account the diversity of our infrastructure needs and stimulate investment in our electricity grid, pipeline systems, and port facilities. It is a real challenge, but I am very much committed to working with this Committee to develop an approach that would stimulate investment.

Question 6. Unduly burdensome and oftentimes unnecessary regulatory and statutory provisions inhibit our ability to become energy independent. Eliminating these impediments while at the same time protecting the health of our environment will be a challenge. How can we achieve a balance between the competing interests?

Answer. It is always a challenge to balance environmental protection and responsible energy resource development, but I believe we can achieve this balance through the use of new technologies. Through both demand-side, efficiency enhancing advancements and supply-side, environmentally friendly exploration and production, I am confident we can fuel a growing economy while continuing to improve the environment.

Question 7. The western U.S. is still feeling the after-effects of the 2000-2001 western electricity crisis. As the demand for electricity rises with the growing economy, I fear that the West may be in line for another crisis if we do not build additional infrastructure to meet the increased demand for electricity. In particular, we need a more robust transmission grid to transport power from where it is generated to where it is consumed. However, very little new transmission capacity has been added over the last decade.

In Wyoming we are blessed with tremendous coal and wind resources that can be utilized to meet the electric needs of the West. However, because of inadequate transmission more natural gas fired plants located near the points of consumption, causing electric rates to rise and reducing our energy security—by adding to the demand for natural gas. What will you do as Secretary of Energy to ensure that sufficient transmission is built in the West?

Answer. We need to work together to provide greater regulatory certainty if we expect to attract new investment in the grid. This will require cooperation between the Federal Energy Regulatory Commission, the Department of Energy, the Power Marketing Administrations, Congress, regulators at the state level and others. If confirmed, I will commit to you that I will do my part to work with all parties toward that end.

Question 8. The federal government is the largest owner of transmission capacity in the United States. As Secretary of Energy you will be in charge of the federal power marketing administrations—BPA, WAPA, SWPA and SEPA. The Bonneville Power Administration (BPA), alone, owns and operates 75% of the high voltage transmission system in the Pacific Northwest.

For some time now, a group of utilities in the states of Nevada, Oregon, Washington, Idaho, Montana, Wyoming and Utah have been working to develop a regional transmission organization—now known as GridWest. BPA is part of this group and would account for half of all the transmission miles making up GridWest.

However, some of Bonneville's power customers want to retain the special benefits they get from the BPA system even though the transmission grid is becoming increasingly congested. As a result, it is uncertain whether GridWest will get off the ground at all. If BPA doesn't join, GridWest won't be able to perform as a truly regional RTO.

I am a supporter of regionally-developed RTOs because they bring increased certainty that leads to added investments in transmission capacity and a more effective and less congested transmission grid. I believe that a RTO in my region of the country would produce enormous benefits for my constituents and throughout the West.

We cannot do this WITHOUT BPA participating and since BPA is under your jurisdiction, is there anything you can do that would be helpful?

Answer. While I am not sufficiently familiar with the issue to make a specific commitment at this time, I will look forward to working with you and others to determine the appropriate approach if confirmed.

QUESTIONS FROM SENATOR ALEXANDER

Question 9. High Performance Computing at Oak Ridge National Laboratory: DOE's Office of Science leads the world in the design and operation of large-scale research facilities. In 2004, DOE, after conducting an independent review of proposals, announced the development of supercomputing capability called the Leadership Class Computing Facility for Science at the Center for Computational Sciences at ORNL. The goal was to build the fastest computer in the world for open science. In 2004, the President signed legislation authorizing DOE to pursue "Leadership Computing in the Department of Energy." With bipartisan support, Congress appropriated additional funds in both FY2004 and FY2005 to fund this project.

What are your plans to ensure continued full funding of the Leadership Computing Facility at the Oak Ridge National Laboratory?

Answer. I am committed to the concept of a Leadership Class Computing facility at Oak Ridge National Laboratory (ORNL). The facility will be used to meet the missions of the Department and those of other agencies. I can assure you that I understand the important role supercomputing plays in scientific discovery. I have not yet had the chance to look at this facility in detail, but I will do so if I am confirmed.

Question 10. Role of the Labs in Economic Development: ORNL is endeavoring to broaden the Lab's partnerships with industry and universities. One goal of this effort is a more robust ability to commercialize the technologies developed in the Lab, a process that in turn would contribute to economic development in Tennessee and elsewhere through the creation of new companies and jobs.

How can we encourage DOE labs to engage with universities and industry as a way of promoting commercialization and contributing to economic development for the country?

Answer. Commercialization success is one of the characteristics of an outstanding scientific enterprise. The national laboratories, including ORNL, have contributed substantially to the commercialization of technology and the economy of the United States over their 50 year history. We live in a time of global industrial competitiveness and it is important to the nation that we utilize the great resources of our national laboratories to enhance our competitiveness. If confirmed, I fully intend to make sure that the national laboratories continue to make these contributions and I will look for ways to enhance them.

Question 11. (Follow-up) Would you consider alternative mechanisms for permitting the national laboratories to work with the private sector to get technologies from the laboratory to practical use?

Answer. We would always consider alternative mechanisms for permitting the national laboratories to work with the private sector to encourage the flow of discoveries and technologies from the laboratory to the private sector for practical application.

Question 12. Funding for the Office of Science: While research funding has increased steadily for the National Science Foundation and the National Institutes of Health, for more than a decade funding for DOE's Office of Science has remained essentially flat. The Energy legislation before the House and Senate last year contained language approved in both bodies to authorize an increase in funding for the Office of Science.

The question is in two parts. Do you support increased funding for the Office of Science?

Answer. As I stated in my testimony, I believe we need increased attention in the area of the physical sciences. I intend to take a very close look at this issue, if confirmed, including assessing whether or not we can spend our current funds more effectively and efficiently.

Question 13. (Follow-up) And, in the event you are faced with budget reductions, will you ask your staff to review the potential impact of such reductions on research programs in the Office of Science before such cuts are brought to the Congress for consideration?

Answer. Yes.

Question 14. Improving R&D management at DOE: A number of organizations have issued reports recently calling for improvements in the way DOE manages its R&D programs and communicates across programs. In other federal agencies, several different approaches are used to manage federal R&D.

Would you consider changing the way DOE manages R&D in portions of the Department to improve efficiency, technical innovation and or mission focus of these programs?

Answer. Senator, I am always open to new ideas and approaches.

Question 15. (Follow-up) Can you speak to the issue of improving communication and coordination within DOE between fundamental and applied energy research and across the various applied research programs such as nuclear, fossil, efficiency, and renewables?

Answer. It is my impression that in some areas, such as hydrogen, the Department is well-coordinated and the various offices have collaborated on a unified plan, but in other areas they have not. Clearly, DOE needs to overcome organizational “stovepipes” and promote better coordination and communication, and if confirmed I will work to do that.

Question 16. Continuation of Y-12 Modernization: The Department of Energy has been very supportive of modernization efforts of the nation’s nuclear weapons production complex, and in particular, the Y-12 National Security Complex. The DOE National Nuclear Security Administration has: (1) supported the building of the Highly Enriched Uranium Material Facility (HEUMF), (2) approved the concept and need for a new Uranium Processing Facility (UPF), (3) supported nuclear material consolidation efforts, (4) funded major security enhancements, and (5) supported the private financing of two new administrative buildings at Y-12.

What shape will your support take to continue the momentum for Y-12’s modernization efforts in support of our nation’s national security?

Answer. I understand the importance of modernizing the nuclear weapons complex. The Y-12 National Security Complex is one of the most important parts of our overall effort. I expect that we will continue the excellent progress that has been made in enhancing security and modernizing the complex in a fiscally responsible way.

Question 17. Natural Gas: The Department of Energy has jurisdiction over a large number of energy conservation programs. Can you provide your perspectives on the issue of using conservation as a tool for reducing the demand for natural gas? Can conservation efforts make a sizable impact?

Answer. Energy efficiency is generally the quickest and least expensive method of balancing energy supply and demand, so we should, and we will, use conservation and energy efficiency efforts as part of our balanced energy strategy. We should also be working to diversify our methods of electricity generation (including emission free sources such as wind and nuclear), and providing new supplies of natural gas through domestic exploration and production, the gas pipeline from Alaska, and new LNG terminals.

Question 18. Natural Gas: Can you speak to which areas you believe we can make the biggest improvements in our nation’s energy conservation efforts relative to oil and natural gas?

Answer. Almost seven out of every ten barrels of oil we use are for transportation fuel, so reasonable efforts to promote more efficient cars and trucks in the near term, and alternatives to petroleum such as hydrogen in the long term, are likely to be the most effective in reducing petroleum demand. Most of our natural gas, on the other hand, is consumed for a variety of industrial, residential and commercial uses as well as for electricity generation. Therefore, there is no single or simple preferred approach to natural gas conservation. We should continue to pursue our diverse portfolio of activities that promote energy efficiency.

Question 19. Natural Gas: Would you provide your perspectives on the importance of expanding and diversifying natural gas supplies to improve our nation’s energy security, particularly in the Rocky Mountains and Eastern Gulf of Mexico?

Would you encourage the construction of new liquefied natural gas infrastructure? What has your experience in the LNG business taught you, particularly in the area of safety?

Answer. Clearly it is important to expand and diversify our nation’s energy portfolio and work to address the supply and demand issues we face, particularly in the area of natural gas. In addition, it is important to encourage the construction of new liquefied natural gas infrastructure as LNG will play an important role in the development of new natural gas supplies in the future. With regards to the safety of LNG, my experience leads me to strongly believe that safe operation is not only achievable, but is to be expected. I would also refer the Committee to the Department’s recently released LNG safety report conducted at Sandia National Laboratory. I would also note that the U.S. Coast Guard has a critical role to play in ensuring the safety and security of the transportation of LNG, and I look forward to working with the Coast Guard and other involved Federal agencies. If I am confirmed, I will review the measures that the Department could take to advance our efforts in this area.

Question 20. Natural Gas: What is your view of local and states’ rights in siting LNG projects?

Answer. As you know, the Federal Energy Regulatory Commission licenses on-shore LNG import and export facilities. It does so pursuant to Section 3 of the Natural Gas Act. Section 3 does not expressly refer to the authorization of facilities necessary for importing or exporting LNG, but the courts have held that it provides the authority to impose terms and conditions on import and export authorizations, including the authority to improve and condition LNG facilities. I believe it is in the national interest for jurisdiction over the licensing of these facilities to reside at the federal level, just as it does for interstate natural gas transmission pipelines.

Question 21. Clean Coal Question: Do you believe that federal funding for clean coal initiatives should be on: a) initiatives to commercialize coal gasification as quickly as possible or b) on FutureGen, which focuses on demonstrating both coal gasification technologies with carbon sequestration technologies?

Answer. I have been generally briefed on the program but I would prefer not to comment on the future direction of the Clean Coal Power Initiative until I have fully reviewed this matter. If confirmed, I look forward to working with you on this important effort.

Question 22. Role of Renewable Energy—Wind, Solar and Biomass: How do you feel about wind power offshore and near national parks?

Answer. I understand that there are a diversity of views regarding the siting of wind power and would like to take the opportunity to study all sides of the issue should I be confirmed.

Question 23. (Follow-up) Do you feel that local governments have sufficient input in the siting of wind power today?

Answer. I am not sufficiently briefed on siting so as to provide comment at this time but, if confirmed, I would take the opportunity to become more familiar with the issue.

Question 24. Environmental Questions: DOE has a critical role in the interagency review process for the Administration's Clean Air Programs. While I support the President's framework for Clean Air, I support initiatives that go farther, faster than President Bush's plan as East Tennessee does not come into compliance with air quality standards under Bush's proposal. The vast majority of my state is in non-attainment with federal air quality standards and the Great Smokies Mountain National Park is the most polluted national park in the country.

Would you support strengthening the Clean Air Interstate Rule, especially to address areas such as East TN that do not come into attainment?

Answer. I have not had an opportunity to review the current draft of the Clean Air Interstate Rule. If confirmed, and recognizing DOE's appropriate role in this area, I look forward to working with other federal agencies, Congress, State and local officials, and other stakeholders, to assist counties in attaining air quality standards.

Question 25. Can you provide your perspectives on the topic of global climate change?

Answer. Global climate change is a century-long challenge that requires advancements in both science and technology to help us better understand the benefits of action and to lower the costs of mitigation options. This country has a strong commitment to, and history of sound science and research in this area. President Bush has asked all involved Federal agencies to push ahead at an accelerated pace. He believes, and I very much share this view, that we must take a comprehensive look at our climate change research programs and discuss how to move these activities forward, so that the results can best be used to inform public policymaking and improve natural resource management.

QUESTIONS FROM SENATOR MARTINEZ

Question 26. In April 2004 Secretary Abraham said at the Sixth Energy Ministers Meeting in April of 2004 hosted by the Republic of Trinidad and Tobago, that while we are fortunate that our hemisphere has abundant supplies of fuels, these resources will do us little good if we fail to invest in the means of developing them.

He told the audience that the real answers to our future energy needs will be found in the high-tech laboratories and research universities.

How can Universities like Florida International University become more involved and make greater contributions in this area?

Answer. Research institutions provide an important source of analysis and outreach for Departmental goals of increased energy and environmental security for the Western Hemisphere. These institutions can make substantial contributions and I would look forward to discussing this matter further with you.

Question 27. I believe that it is important to advance integration and resource development in the Western Hemisphere and agree with Secretary Abraham that the high-tech laboratories and research universities should play a pivotal role.

What is DOE's interest in expanding the utilization and production of energy resources in the Western hemisphere?

Answer. Western Hemisphere energy resources represent a significant share of the U.S. energy imports, and those resources should continue to be developed and utilized. I understand that DOE has established an extensive network of bilateral and regional relationships with Western Hemisphere nations to expand both the sources and types of energy production, and to increase the efficiency of energy production and consumption. I would certainly continue to make this a priority if I am confirmed.

Question 28. (Follow-up) What actions are planned by the DOE in the years ahead to follow up on this important initiative?

Answer. I would expect that DOE will continue to advance cooperation with our Western Hemisphere partners.

Question 29. Another question, in the 108th Congress bipartisan language was included that develops a new DOE Western Energy Hemisphere Energy Cooperation program.

Passage of a comprehensive energy bill is a high priority again this year. Will you support this new program authorizing in the energy bill?

Answer. I have not looked closely at these provisions, but as you know President Bush has placed an emphasis on increasing energy cooperation with the Western Hemisphere nations in the National Energy Policy. I will continue to support efforts to strengthen those critical relationships that so greatly benefit our energy security.

QUESTIONS FROM SENATOR TALENT

Question 30. Congress has been working on comprehensive energy legislation for the past four years now. I believe it is time to get a bill across the finish line. Do you agree that Congress should finally pass a comprehensive energy bill as soon as possible this year?

Answer. Yes. If confirmed, I will be an aggressive advocate for comprehensive energy legislation.

Question 31. Renewable fuels like ethanol and biodiesel offer a homegrown alternative to imported foreign oil. Do you believe that a strong renewable fuels standard should be a component of a comprehensive energy bill?

Answer. The Administration supports the inclusion of a renewable fuels standard in comprehensive energy legislation.

Question 32. American consumers struggled with historically high energy prices all last year, and prices remain elevated and volatile. While recent mild weather has brought temporary relief to some parts of the country, the inevitable return of seasonably cold temperatures unfortunately will also bring more spikes in energy prices. According to the federal Energy Information Administration, the national average gasoline price stayed well above 2003 levels for virtually all of 2004, and that remains the case so far in 2005. Spot prices for natural gas were 65-80% above 2003 levels at the start of the 2004-2005 heating season, and so far this heating season, the price for residential home heating oil has stayed at least 50 cents per gallon above the previous year.

These high energy prices are hurting consumers, discouraging job creation and dampening economic growth. Don't you agree that high energy prices provide some of the best evidence that it is time for Congress to finally pass comprehensive energy legislation?

Answer. Yes.

Question 33. We need to strengthen and expand the energy infrastructure in this country. More investment is needed in the electric transmission grid, natural gas pipelines, and other energy delivery systems. Reliability, security, and price stability all depend on it. The energy bill we considered during the last Congress contained many important provisions designed to promote investment, enhance, and strengthen critical energy infrastructure. Is it important for Congress to include infrastructure investment provisions in major energy policy legislation?

Answer. Yes, and strong electricity language which includes measures to ensure reliability and stability is essential.

Question 34. About 20 percent of the electricity generated in the U.S. comes from nuclear power plants. This energy is emissions-free, reliable, safe, and affordable. If we are to continue to have fuel diversity that includes nuclear power generation, we will have to find a solution to the issue of long-term storage of spent nuclear fuel. Do you agree that the U.S. needs a permanent nuclear waste repository, that

the Yucca Mountain facility in Nevada represents the best such option, and that we should continue to fund development of that facility?

Answer. Yes.

Question 35. (Follow-up) Will you work with Congress to ensure full funding of Yucca Mountain?

Answer. Yes.

Question 36. Currently, 18 states have taken some form of action to encourage the development of renewable forms of energy to generate electricity. Do you think this approach, where the States decide how to proceed, is better than a mandate from the federal government to develop renewable energy?

Answer. Yes I do. States are best equipped to match their renewable portfolio standards to the renewable resources locally available, while accommodating other local concerns better than a "one size fits all" federal standard.

Question 37. I am favorably impressed by what I read about the new Integrated Gasification and Combined Cycle (IGCC) technology that would take advantage of the abundant supplies of coal that we have in this country and, through gasification, produce a cleaner burning fuel. The catch, as you know, is that IGCC technology is not yet competitive with conventional combustion technologies. What is your position on IGCC and, as Secretary of DOE, how would you promote this promising technology?

Answer. I believe that IGCC technology holds great promise, and if confirmed, I would continue to support strong R&D funding in this area.

Question 38. As DOE explores financial mechanisms to promote IGCC, I urge you to take into account the fact that Missouri and most other states have both privately and publicly owned utilities, which have different corporate structures and different financing capabilities. A tax credit to promote IGCC, for example, would aid private companies but not help municipal utilities that are not-for-profit and do not pay federal taxes. Are you aware of these differences and do you agree that DOE should help all sectors of the utility industry to develop IGCC?

Answer. Yes. I am generally aware of these differences and, if confirmed, will work to help all sectors of the industry to develop IGCC, as appropriate, and consistent with Administration Policy.

Question 39. Utilities in Missouri and across the U.S. have told me repeatedly that our U.S. transmission grid is badly congested and needs to be enhanced in order to ensure reliability and to promote competitive wholesale electric markets. What is DOE's Office of Electric Transmission and Distribution doing now to identify congested areas and propose remedies and will this be a priority for you as Secretary?

Answer. While I cannot comment at this time on specific areas of concern identified by the Office of Electric Transmission and Distribution, if confirmed, I will review their recommendations.

QUESTIONS FROM SENATOR SMITH

Question 40. At the end of 2000, under the Clinton Administration, then Secretary of Energy Richardson issued a secretarial order on power sales into California. At that time, I wrote to the Secretary to express my concern that the order inappropriately gave to the California Independent System Operator first priority rights to Northwest power and water, and that it might result in greater risk for power shortages and substantially increased rates for residential and business customers in Oregon. I also raised the concern that the order would shift the burden of California's liquidity and credit issues to others in the West by forcing them to sell to California without guarantees of compensation. Lastly, I also raised concerns that the federal dams on the Columbia and Snake Rivers were being operated in a manner that could jeopardize salmon recovery efforts.

I raise this because, at this time, the Pacific Northwest is facing another drought. The runoff for the Columbia River is predicted to be 80 percent of normal. The Klamath Basin is also facing drought conditions. This has ramifications for the entire West Coast market, since power is usually traded south during the hot summer months.

While the outlook could still improve—or worsen—can you commit that: You will not turn the Northwest into California's energy farm?

Answer. I am not yet familiar with all of the details of the issues you have raised regarding the Pacific Northwest; however, I am aware of your interest, and I will commit to working with you in addressing this matter appropriately.

Question 41. (Follow-up) If you need to issue secretarial orders to stabilize the electricity markets, you will protect northwest generators and ratepayers, and not shift economic risk from California to the Northwest?

Answer. Although I am not familiar with all of the details of this matter at this time, I will commit to working with you and all affected parties toward an appropriate solution.

Question 42. BPA is a self-financing federal agency that operates and maintains more than seventy-five percent of the high voltage transmission in the region. Just like private sector utilities, BPA must have long-term certainty with respect to access to capital—be it through its Treasury borrowing account or through other means such as third-party financing in order to make needed investments in the transmission grid. Without reliable access to capital, BPA would not be able to plan projects in an efficient and business-like manner and would likely be forced to dramatically raise rates on businesses and consumers in the region to maintain grid reliability.

Do you commit to work with me to ensure BPA has the access to capital and the multi-year planning certainty it needs to meet its unique obligations in the Pacific Northwest?

Answer. Yes. I will commit to work with you to ensure the financial stability of BPA. I certainly understand the importance of this to you and your constituents.

Question 43. Related to this issue is the fact that OMB has indicated interest in redefining what constitutes debt for the purposes of BPA's statutory debt cap. This would have the effect of closing off BPA's access to capital and injecting tremendous uncertainty into its long-term financial planning.

Will you commit to consult with me and my colleagues from the Northwest before the Administration forwards a proposal that inhibits BPA's ability to meeting its statutory obligations by denying its access to capital?

Answer. I am not familiar with OMB's interest in this issue. I have been involved in neither the FY 2006 budget for the Department nor in discussions surrounding any definition of BPA debt; however, I will commit to working with you on this matter if confirmed.

Question 44. Mr. Bodman, the Bonneville Power Administration is engaged in an informal process with its customers in the Pacific Northwest to improve the agency's transparency and financial accountability. BPA has no board of directors, like TVA, but this informal, collaborative effort is a first step toward sharing information and receiving input from customers in the region. How engaged will your agency be in these types of oversight efforts of BPA and the other PMAs?

Answer. I am not familiar with all of the details of the issue you raise regarding BPA transparency and financial accountability. If I am confirmed, the Department would be as involved as is appropriate in oversight efforts of the PMAs.

Question 45. The Pacific Northwest has been engaged over the past several years in its own effort to develop a Regional Transmission Organization, called Grid West. While we can appreciate the general direction on transmission planning, market monitoring and system operations that has come out of the Administration these past four years, we are strongly committed to tailoring our own plan to fix the mix of generating resources in our region. Are you committed to keeping RTO participation voluntary and in working with our region to solve its transmission problems on its own?

Answer. Senator Smith, I am not familiar with all of the details of this matter, however, if confirmed, I will work with you toward appropriate solutions to the issues you raise.

Question 46. The EIA's weekly natural gas storage data report greatly influences natural gas markets across the country. In the past, erroneous reports from the agency have caused prices to swing wildly, which in turn can cause greatly increased gas procurement costs to utilities and their customers in my state. What will your agency do over the next four years to reform EIA's data reporting practices?

Answer. Senator, you are absolutely correct about the importance of these reports being accurate. If confirmed, I will work with EIA to make the necessary systematic changes to prevent this from happening again. I would like to work with you and the Committee on this matter.

QUESTIONS FROM SENATOR BUNNING

Question 47. Clean Coal: I believe that tax incentives are a good way to encourage the use of new clean coal technologies. Does the Administration continue to support efforts to encourage the development of new clean coal technologies and support tax incentives to encourage the use of the new technologies?

Answer. We certainly want to encourage the development and deployment of clean coal technologies, and if confirmed I would be happy to work with you on the right mix of incentives.

Question 48. Clean Coal: FutureGen, the research program to create a zero-emissions hydrogen power plant from coal, is a good program to determine a way to use cleaner burning coal in the future. There are other clean coal research programs, such as the Clean Coal Power Initiative which I funded through my clean coal bill last year, that are useful as well. I believe it is important that we do not put all our eggs in one basket by cutting or eliminating other clean coal research programs and obtain funds solely for one clean coal project such as FutureGen. As Secretary, will you ensure that the Department of Energy will not fund the FutureGen program by stripping funding from other coal technology development currently underway at DOE?

Answer. I agree that we should not put all our eggs in one basket and that we need to pursue FutureGen, as well as other technology advances, to enhance the efficiency and lower the emissions of coal-fired generation. If confirmed, I will work to maintain an appropriate balance.

Question 49. DOE recently awarded the cleanup contract at the Paducah Plant to a small business, North Wind. The Department of Energy estimates that the contract will be a sizable portion of the \$2 billion Paducah cleanup. In the past, the GAO raised questions about small businesses assuming the responsibility for major nuclear site management. What safeguards does the DOE plan to implement for small business contracts such as Paducah to provide accountability while also ensuring opportunities for small businesses?

Answer. I would expect small business contractors, as well as large contractors, to perform work safely and in accordance with the contract requirements. If confirmed, I would expect that the small businesses under contract to the Department are afforded the same opportunity to succeed and are held to the same high standard in performing their contract requirements.

Question 50. In 2002, I put a provision in the DOD Authorization bill that would require the Department of Energy to convert its unenforceable worker health and safety orders covering industrial and construction hazards into enforceable regulations. The DOE withdrew its issued regulations last year because many in Congress believed they did not follow Congress' intent with the law. Do you know when the DOE plans to issue new regulations?

Answer. The supplemental Notice of Proposed Rulemaking (NOPR) for the Worker Safety and Health Rule was approved by the Department and sent to the Federal Register on January 18, 2005. The expected date of publication in the Federal Register is January 26, 2005. The supplemental NOPR will have a 90 day comment period. A final rule is expected to be promulgated during Fiscal Year 2005.

QUESTIONS FROM SENATOR BINGAMAN

ENERGY EFFICIENCY

Question 51. The appliance efficiency standards program has been a stunning success. It already saves an estimated 2.5% of all electricity use in this country, saves consumers billions of dollars, and reduces strain on the electric grid and on natural gas supplies. Yet DOE is far behind in issuing new and updated standards that could save even more. In December, DOE announced that its three highest priority rulemakings, already years behind schedule, would be delayed at least two years more. DOE has missed statutory deadlines for standards on more than a dozen products. And if the efficiency provisions in the energy bill pass, DOE faces rulemakings on several more products. What will you do to expedite rulemakings on appliance standards?

Answer. I am not familiar with the specific factors which have contributed to the delays, but if confirmed I would be happy to look into the situation and do what I can to advance technically achievable, economically justified efficiency standards in reasonable timeframes.

Question 52. Last year the administration proposed to cut funding for the program by 25%, although Congress rejected the cut. Will you request sufficient funds and ensure that these delays at DOE are stopped and the rulemakings follow the statutory deadlines?

Answer. I am not familiar with the specific factors which have contributed to the delays. At this time I am not prepared to comment on the future funding for the appliance efficiency program, but, if confirmed, I will look into this matter.

Question 53. Over the past four years, budget requests for increases in the Low Income Weatherization program have been pitted against reductions in other key energy programs. In addition, the state and local groups who implement this program in the field have expressed concerns about the lack of attention being given to program direction and coordination and communication at DOE headquarters.

Will you look into this situation and reach out to the organizations that support the Weatherization program?

Answer. If confirmed, I will do so.

Question 54. Last year's overall Energy Efficiency and Renewable Energy (EERE) proposed budget was about flat. But the administration proposed to cut energy efficiency R&D (excluding grants) by 10%. If you exclude the long-term FreedomCar vehicle and fuel cell program, the remaining energy efficiency R&D programs would have been cut by 17% overall. Many of the programs being cut are those that DOE's own Government Performance and Results Act (GPRA) analysis says have the highest impact. At a time of natural gas shortages, high gasoline prices, and increasing greenhouse gas emissions, does it make sense to cut programs that can help solve these problems?

Answer. These are all factors I will have in mind, should I be confirmed, when I have the opportunity to review future budgets. I will take a strong and active role in the development of the Administration's 2007 budgets.

Question 55. (Follow-up) Will you support increases for those programs that are shown to be effective in the GPRA review?

Answer. I will certainly take the GPRA criteria into account if confirmed.

Question 56. According to the Alliance to Save Energy, the federal government is the largest single energy user and wastes a billion dollars a year in its buildings alone through inefficient energy use. Energy Savings Performance Contracts are a unique program that allows federal agencies to contract with the private sector to upgrade the energy efficiency of federal buildings and pay back the cost with utility savings. Last year Congress extended the program on a temporary basis. Will you work with Congress and the White House to come up with a solution that allows for permanent reauthorization of this program?

Answer. I understand that the Administration strongly recommended extension of the ESPC program, and I will be happy to examine the issue and, if confirmed, determine whether a permanent reauthorization is warranted.

Question 57. Energy efficiency measures are typically the cheapest and quickest means of reducing greenhouse gas emissions and meeting the target for reduction of greenhouse gas emission intensity. How will you take full advantage of the potential of DOE R&D and deployment programs to reduce global warming and achieve the targets?

Answer. The U.S., through the DOE, currently invests far more than any other nation or group of nations in energy efficiency R&D. If confirmed, I would continue this strong support.

Question 58. The President has noted the importance of the pursuit and promotion of "strong conservation policies." Will you give energy conservation and efficiency policies a top priority status?

Answer. Yes.

Question 59. (Follow-up) How do you plan to do this?

Answer. If confirmed, I will work with DOE senior management, other Executive Branch agencies, Congress, and interested stakeholders to pursue and promote strong conservation policies.

Question 60. Given the increasingly global market, in energy and beyond, what role do you see the office of Policy and International Affairs playing?

Answer. Given the importance of taking steps to protect our nation's energy security in a global market that is increasingly integrated, I will expect the Office of Policy and International Affairs to play an important role in our efforts to address the issues of national energy policy and global cooperation in energy markets. I look forward, if confirmed, to working with the leadership in each of the Department's program offices to determine effective areas of action for the future.

Question 61. In December, the National Commission on Energy Policy released its much awaited report addressing major long-term U.S. energy challenges entitled, "Ending the Energy Stalemate: A Bipartisan Strategy to Meet America's Energy Challenges." Have you had time to look at this report?

Answer. I am aware of but have not reviewed in detail, the NCEP report.

Question 62. (Follow-up) To what extent will the Commission's proposal help inform the Administration's policies and recommendations for energy legislation this year?

Answer. Given the broad and diverse membership of the Commission, I expect the proposal will be reviewed by policy officials within the Administration for additional ideas that could supplement the Administration's energy policy.

Question 63. An issue on the Committee's agenda for early this session is consideration of the petition from the Republic of the Marshall Islands for additional compensation for injuries arising from the U.S. nuclear weapons testing program in the islands from 1946 to 1958. The Department of Energy has a long history of involve-

ment in this issue and many respected experts on the history and effects of the tests. Will you make these experts available to the Committee to discuss the Administration's position and other matters related to the petition?

Answer. Yes. If confirmed, I look forward to working with you and Members of the Committee on this important issue.

Question 64. Within DOE's Office of Health provides continuing medical care to those who were exposed to harmful radiation from the 1954 "Bravo" nuclear test. It also provides continuing environmental monitoring and resettlement support to those communities contaminated by fallout. Will the Administration ask for sufficient funding in its budget request to meet our responsibilities to those who were affected?

Answer. I am not yet familiar with the Department of Energy's FY '06 budget requests. I understand, however, that this is an important issue, and if confirmed would be happy to discuss this matter with you further.

Question 65. In its evaluation of the Republic of the Marshall Island's petition, the Administration states that "The current dose limit used by the U.S. Government to protect the public from all sources of radiation is 1 millisievert (mSv) per year [equal to 100 mrem] . . . The current U.S. dose limit has been used as a guide to cleanup decisions in the RMI before and after the Compact was enacted." However, the NRC uses 25 mrem as the standard for the clean-up of closed nuclear facilities in the U.S., and DOE has agreed to a 15 mrem standard for the clean-up of Hanford and Rocky Flats. How does the Administration reconcile the use of a 1 millisievert [100 mrem] standard in the RMI while using 25 mrem and 15 mrem standards in the U.S.?

Answer. I am unfamiliar with the specifics of the RMI petition. Should I be confirmed, I will look into this issue and discuss it with you further.

Question 66. There are reports that a new version of the Clear Skies bill will repeal Title IV of the Clean Air Act Amendments, which requires utilities to report their carbon dioxide emissions. What are your thoughts on emissions reporting and on the repeal of Title IV of the Clean Air Act Amendments?

Answer. I have not seen these reports and, therefore, I am not prepared to comment at this time.

Question 67. Both NASA and DOD use inducement prizes are used to encourage technological innovation. Will you explore the use of such prizes as an incentive for scientific and technological innovation at DOE?

Answer. Yes.

Question 68. (Follow-up) Are there any obstacles to DOE establishing inducement prizes?

Answer. I will review DOE's current practice, authority, regulations, and internal orders to determine whether there are such obstacles.

Question 69. Although the Administration has engaged in a number of cooperative international R&D agreements, it has not so far offered to seek increased U.S. expenditures on climate related R&D if other major nations would make comparable spending increases. On its face, such a pledge and review approach could greatly leverage the impact of U.S. expenditures in developing new climate friendly energy sources. What is your reaction to linking U.S. R&D increases to those in Europe, Japan, and elsewhere?

Answer. Due to the fact that climate-related R&D is within the purview of several agencies, and that the final decisions on U.S. expenditures in this area rest with Congress, I would not favor such a linkage to decisions made in other countries as DOE policy.

Question 70. The President has said that climate change is a serious issue and that the Administration is committed to a strategy of developing new energy sources as one of its principal responses. In many ways, though, the President's interagency task force, the Climate Change Technology Program, is not nearly as well organized as the analogous program of scientific research, the Climate Change Science Program. For example:

- The CCTP is not grounded in unified authorizing legislation.
- assess progress.
- There is no full time staff tasked with coordinating the multi-agency effort.
- The administration, despite earlier promises that a strategic plan would be forthcoming, has never produced one or at least has not released it to the congress public and the relevant research communities.

Do you intend to correct these management gaps in the CCTP? If so, could you indicate to us in what timeframe might we expect to see action?

Answer. As the former co-chair of the interagency working group on climate change science and technology integration, I am well aware of the challenges facing the CCTP. If confirmed, I will work diligently to address those challenges.

Question 71. British Prime Minister Tony Blair has said that climate change will be one of his two top priorities as President of this year's G-8 meeting. Given the President's desire to improve relations with Europe, what changes might be made to the Climate Change Technology Program before the G-8 summit to increase international cooperation?

Answer. The UK is a partner with the U.S. in our major multilateral climate change technology initiatives. If confirmed, I will seek to broaden and strengthen that relationship.

SCIENCE & TECHNOLOGY

Question 72. What are your views on the importance of the Department's programs to the American science and engineering enterprise?

Answer. The Department of Energy has an important responsibility in maintaining America's world leadership in science. As the primary agency conducting basic research in the physical sciences, I believe DOE plays a critical role in maintaining this leadership.

Question 73. Can the Department once again play the kind of role it played in its early days?

Answer. I believe the Department of Energy can continue to play a critical role in advancing science and technology.

Question 74. What are the future challenges DOE could address?

Answer. If confirmed, I look forward to enthusiastically investigating ways that Department of Energy resources can be better utilized to meet future challenges in the area of science and technology.

Question 75. The President's Committee of Advisors on Science and Technology (PCAST) recommended that "beginning with the FY '04 budget and carrying through the next four fiscal years, funding for the physical sciences and engineering across the relevant agencies be adjusted upward to bring them collectively to parity with the life sciences." What are the prospects for the physical sciences and engineering in the Department's FY '06 budget request?

Answer. As I stated in my testimony, I have not been briefed on the Department of Energy's FY '06 budget proposal. However, I do believe that we need increased attention generally in the area of the physical sciences.

Question 76. In your statement you mentioned the importance of our nation's leadership in science and technology. Do you agree that this leadership at serious risk?

Answer. Yes. Over the last 50 years, our nation has lead the world in science and engineering research, to the great benefit of our economy and our citizens. Other countries have observed this and are actively following our example. We must make sure that the United States maintains its preeminence in the sciences.

Question 77. What specific approaches will you promote to protect our leadership position?

Answer. If confirmed, I will be a strong voice for the Department of Energy's important role in promoting America's world leadership in science and technology.

Question 78. One challenge we face is the lack of a coordinated national strategy to recruit the best science minds from around the world to study and work in the U.S. Do you believe that the Federal government should take a more active role, as the European Union has, in developing and implementing a coordinated recruitment and retention strategy for science and technology experts?

Answer. I believe that we must educate and encourage our children in math and sciences from a very early age. If confirmed, I look forward to familiarizing myself with the specifics of the European Union's retention strategies and would be happy to discuss this issue with you further.

Question 79. The 9/11 attacks resulted in immigration restrictions that discourage international students from attending our schools, scholars from visiting our labs and conferences, and businessmen from engaging in joint ventures. Do you expect to be active in seeking immigration changes that will assure protection of our national security while reducing visa problems for those who do not pose a threat?

Answer. I am generally aware of this issue. While I cannot speak to the specifics of immigration changes, I believe that we need to do more to encourage students from abroad to continue to attend American colleges and universities. If confirmed, I would be open to receiving information for further consideration.

Question 80. In the past, there have been discussions in the Administration and Congress about the possibility of establishing a separate Science and Technology

visa to facilitate the entry of international students, researchers and businessmen into the U.S. Are you familiar with this idea and do you support it?

Answer. I am not completely familiar with this issue. If confirmed, I would seek to determine whether or not Department of Energy missions are being adversely affected by immigration laws and consult with other agencies that enforce those laws.

NUCLEAR NONPROLIFERATION

Question 81. The Department of Energy plans to spend upwards of one billion dollars to build two fossil fuel plants in Russia so that Russia will shut down two plutonium producing reactors. The cost of this project has steadily increased and is now a cause of concern in Congress. What will you do as Secretary of Energy to contain cost growth in this program?

Answer. I believe that eliminating the production of new weapons grade plutonium is vital to the national security of the United States. This effort is key to accomplishing this objective. If confirmed, you have my assurance that I will examine the program's costs and take appropriate action.

Question 82. (Follow-up) In your view, is there a price tag for this program beyond which you would believe it is not worth the U.S. investment?

Answer. It is my understanding that there has been good news as it relates to this program's long-range costs. Among these is that the Russians have agreed to over \$200 million in cost reductions for these projects. Additionally, Congress has provided the Department with the authority to accept international funding that will ensure that the project will be completed with a minimum additional commitment of U.S. taxpayer dollars. It is my hope that this effort will be successful in ending plutonium production in Russia.

Question 83. What is your position on creating a "nonproliferation czar" in the Federal government who would be responsible for coordinating all nonproliferation programs across agency lines?

Answer. As I understand it, the National Security Council's Proliferation Strategy Policy Coordinating Committee has, and will continue, to ensure effective coordination of the nonproliferation programs of various agencies. I, therefore, at this time, see no utility in designating a duplicative body to serve this same function.

Question 84. Secretary Abraham was personally committed to reducing the risks posed by radiological dispersion devices. Do you share this view and, if so, what is the appropriate role for DOE to take in this matter, both domestically and worldwide?

Answer. I share the view that the threat from a radiological dispersion device is real and it is one that must be addressed. It is my understanding that the Department has established programs to mitigate the Radiological Dispersion Devices (RDD) threat both in the United States and internationally. If confirmed, reviewing these programs would be a top priority.

Question 85. DOE's Russian "brain drain" programs were implemented almost a decade ago. Do you believe these programs are meeting our nonproliferation objectives and how much longer will DOE continue to fund them?

Answer. I understand the Department's "brain drain" programs have had a significant nonproliferation impact over the past decade by engaging former weapons expertise in commercial pursuits. As to how long the Department will fund these programs is something I would need to determine if I am confirmed.

Question 86. In February 2002, the Department issued a report stating that its nuclear waste cleanup program could cost more than \$300 billion and take nearly 70 years to complete. In response, DOE has adopted an accelerated cleanup approach. What are your thoughts on how DOE has implemented this approach and do you foresee making any fundamental changes to it?

Answer. It is my understanding that as a result of the Department's accelerated cleanup program the expected completion date for cleanup has been reduced by 35 years and at a cost savings of \$50 billion. If confirmed, it would be my intent to review the accelerated cleanup program to determine if the current plans are optimum in terms of safety and resources.

Question 87. In developing its accelerated plan, DOE has yet to fully implement a complex wide, risk-based approach. In your view, what are the barriers to developing a risk-base cleanup approach, and what steps, if any, will you take to do so?

Answer. This is an issue that I would need to review if confirmed.

Question 88. In its efforts to accelerate the cleanup of nuclear waste, the Department has recently encountered legal challenges in classifying some of its wastes so it can treat and dispose of them in a cost-effective manner. What actions do you think DOE must take to overcome these legal challenges?

Answer. I am generally aware of the waste classification issue. I support the legislation that was enacted in the last Congress that clarifies this issue in South Carolina and Idaho. It would be my intention, if confirmed, to review the remaining issues and determine the appropriate course of action.

Question 89. Over several decades, the Department has had mixed results in developing new technologies for its nuclear waste cleanup efforts, as several failures have been very costly and have hampered cleanup progress. The Department's current accelerated cleanup approach assumes that several nascent technologies will be successfully developed and deployed under very aggressive time frames. What will the Department do to ensure it has identified and fully tested the best available technology to use in treating the waste?

Answer. I understand the importance of cleaning up the legacy from the Cold War. This is one of the Department's greatest responsibilities. If confirmed, it would be my intention to review the accelerated cleanup program, including the use of the best available technologies, and determine what changes, if any, are needed to ensure that the sites are cleaned up in a manner that protects the workers and is protective of human health and the environment.

Question 90. Recently, the Department has been criticized for attempting to reduce overall costs and schedule by accelerating its cleanup work by means that reduces worker safety. What steps do you think DOE should take to avoid increasing these safety risks and to ensure that the work is performed in a safe and reliable manner?

Answer. The safety of the Department's workers is paramount. I assure you that accelerated cleanup and reduction of costs would never take priority over worker safety. I am unable to know at this point whether additional measures are needed to protect the workers. If confirmed, this would be an issue I would review.

Question 91. Since 1990, GAO has considered DOE's contracting practices as high risk for fraud, waste, abuse, and mismanagement. Since then, DOE has worked to improve its contracting practices by, for example, increasing competition and linking payments to contractors' actual performance. Even so, performance problems continue at some of DOE's sites and projects. What additional changes should DOE's make in its practices to help ensure that its contractors' performance is acceptable?

Answer. At this time, I am unable to make specific recommendations in this area. However, holding contractors accountable for their performance will be critical to the success of the Department's missions.

Question 92. DOE officials now say that it may be 2007 or 2008 before DOE facilities that contain nuclear materials will be able to fully defend against increased threats, particularly those posed by terrorists. Do you find this length of time acceptable? What actions would you propose to speed up this process or increase security at the facilities?

Answer. Without having reviewed the specific details of the Department's plan for increasing security at DOE facilities I am unable to ascertain if this length of time is acceptable. However, let me assure you that if confirmed, I will closely evaluate the Department's implementation plans to ensure that everything possible is being done to safeguard the nation's nuclear materials facilities and that these enhancements are being accomplished with the appropriate sense of urgency.

Question 93. In response to the September 11, 2001 terrorist attacks, Secretary Abraham proposed a 14-point initiative to improve security at DOE facilities that contain nuclear material. The initiative proposes steps such as federalizing DOE's protective forces and consolidating DOE's weapons grade materials into fewer locations. How do you intend to implement this initiative to improve security at DOE's facilities?

Answer. Security at DOE sites would be of paramount importance to me if confirmed. Keeping nuclear material away from terrorists is vital to the security of our nation and I recognize the significance of these security initiatives. At this time, I have not had the opportunity to review these initiatives in detail. However, at the appropriate time, I would be happy to meet with you to discuss this important issue further.

Question 94. The National Nuclear Security Administration (NNSA), a key component of DOE, is responsible for the nation's programs in nuclear weapons, non-proliferation, and naval reactors. However, in its 5-year existence, NNSA has been plagued with the kind of management and security problems that led to its creation. What do you believe you can do as Secretary of Energy to improve management and security at NNSA?

Answer. The NNSA was established by legislation as a separately organized, semi-autonomous entity within DOE. If confirmed, I would work to ensure that both management and security at NNSA are improved in a manner consistent with congressional intent. I believe that a key to resolution of these management and secu-

riety issues is to make expectations clear and to hold individuals at all levels within both organizations accountable.

Question 95. In August 2004, the Nuclear Regulatory Commission (NRC) ruled that DOE, in violation of Commission rules, did not place all documents relevant to the Yucca Mountain project on an electronic network at least six months before submitting a license application to the NRC. As a result, DOE, explaining that it had yet to review several hundred thousand documents and several million emails, was unable to submit a license application in December 2004. How many materials does DOE have left to review, and when will it be ready to submit a license application?

Answer. Although I am not personally familiar with the details of the Yucca Mountain Licensing process, I have been informed that the Department is currently working through the schedule with its contractor and over half of the documents (2.1 million) are yet to be reviewed. I understand the Department anticipates the completion of the license application by the end of the calendar year.

Completing the licensing process is a massive and unprecedented undertaking and presents challenges. Nevertheless, if confirmed, it will be very important to me that the Office of Civilian Radioactive Waste Management provide a document collection that is accurate and as open as possible to the participants in the licensing process.

Question 96. In July 2004, the U.S. Court of Appeals ruled that DOE's safety standard of containing radiation at Yucca Mountain for 10,000 years violated federal law by ignoring far stricter standards recommended by the National Academy of Sciences. Has DOE assessed alternative radiation standards? Would the currently planned facility meet the National Academy's strict radiation limits?

Answer. My first priority will be the protection of the health and safety of the citizens of Nevada and the rest of the country. Therefore, it is vitally important that we have a radiation standard for Yucca Mountain that provides adequate health protection over an appropriate time period.

I understand the standard was remanded back to EPA and is within its jurisdiction for resolution. It is the Department's responsibility to make sure that the repository will comply with whatever standard emerges from the EPA's ongoing process.

As you know, the repository by law cannot be built or operated until the Nuclear Regulatory Commission is satisfied that the repository will meet the standards set by the EPA. If confirmed, I will work to ensure that the Department demonstrates, to the satisfaction of the NRC, that public health and safety will be protected.

Question 97. The Nuclear Waste Technical Review Board recently questioned the department's plans to safely dispose of high-level nuclear waste in a number of areas, such as the number of times workers must handle spent nuclear fuel assemblies and DOE's harmonization of cask design, fleet acquisition, waste acceptance and other activities at reactor sites. How will you ensure that workers and the public face limited exposure when spent fuel is moved to their final repository?

Answer. I have not personally reviewed the comments of the Nuclear Waste Technical Review Board nor am I familiar with the Department's proposed response. However, if confirmed, I assure you that limiting the radiation exposure of workers and the public will be a paramount objective of the program.

Question 98. In 2003, the department handled more than 75 percent of the nation's low-level radioactive waste that was sent for commercial disposal, relying on a commercial disposal facility in Utah. A proposed low-level radioactive waste disposal facility in Texas may create competition with the Utah facility and lead to lower disposal rates for the department. What practices are in place to ensure that DOE pays a fair price for disposal at the Utah facility?

Answer. I am unfamiliar with this issue. However, if confirmed, it would be my goal to ensure that the Department pays a fair price for the disposal of low-level radioactive waste.

Question 99. (Follow-up) To what extent has the department discussed with the developers of the Texas facility the possibility of disposing waste there?

Answer. I am not aware if any such discussions have taken place. If confirmed, I would look into this matter.

Question 100. In December 2004, the New Mexico Environment Department issued a notice of deficiency on DOE's proposal to reduce testing of waste destined for WIPP. The Department found that the proposal is contrary to statutory and regulatory requirements because it likely would result in DOE disposing of waste at WIPP that has not been properly characterized. How does DOE plan to work with the State of New Mexico to address the change in testing? How has New Mexico's decision affected the disposal schedule at WIPP and to what degree may DOE clean-up activities be slowed by this situation?

Answer. Senator, as we discussed in our recent meeting, WIPP is a success story and I think this is due in large part to the cooperation between the Department, the New Mexico congressional delegation, the State of New Mexico and the local community. I am aware of the notice of deficiency that was issued by the New Mexico Environmental Department and, if confirmed, I would review this matter thoroughly.

Question 101. Much of DOE's recent emphasis in energy research has been on developing hydrogen fuel technologies. Although these technologies may show promise in the future, the widespread use of hydrogen fuels remains a long-term goal. In the meantime, how will you ensure that DOE's other ways of meeting our energy needs will receive adequate research funding?

Answer. I believe it is critical that we continue to assemble a diverse portfolio of energy R&D and, if confirmed, I will work towards that goal.

Question 102. (Follow-up) Will this require changing DOE's current R&D portfolio?

Answer. If confirmed, I will review our portfolio to determine if changes need to be recommended.

Question 103. In August 2003, a regional electricity blackout cost the nation billions of dollars and left many consumers in the dark. Analysts concluded that several reasons for the blackout, such as noncompliance with reliability standards and poor coordination among operators on the electricity grid, were preventable. What can DOE do to mitigate these problems in the future?

Answer. Enforceable mandatory reliability standards is a good place to start and new technologies and methods for grid management, such as those the DOE is working to develop with industry, can help a great deal.

Question 104. Despite the fact that the world oil market periodically produces large price spikes and disrupts the economy, our thirst of oil appears to be increasing. Under your leadership, how aggressively will DOE attempt to reduce our dependence on oil by expanding conservation and the use of alternative fuels?

Answer. Almost seven out of every ten barrels of oil we use are for transportation fuel, so our efforts to promote more efficient cars and trucks in the near term, and alternatives to petroleum such as hydrogen in the long term, are likely to be the most effective in reducing petroleum demand.

Question 105. (Follow-up) What actions will DOE take to achieve these ends?

Answer. If confirmed, I will continue the Department's efforts to make cars and trucks more efficient and ultimately transition to hydrogen fuel as envisioned by the FreedomCAR program and the President's Hydrogen Fuel Initiative.

Question 106. Congress invests in the Department of Energy (DOE) significant resources to devise policies and operate programs that are vital to our economy and national security. As a result, it is important for Congress to know how well DOE is fulfilling its responsibilities. To assist our oversight of DOE, we often ask GAO to evaluate DOE programs and activities. These evaluations require GAO to review documents, talk to agency officials, and judge program effectiveness. It is critical that GAO have timely access to documents and agency officials in order to complete its work.

Will you commit to working with GAO in a timely and constructive manner to address the oversight and other needs of the Congress, and will you encourage others in your department to do so?

Answer. Yes.

Question 107. (Follow-up) What specific steps will you take to ensure that GAO receives access to information and DOE officials and that your department provides this information in a timely manner?

Answer. If confirmed, I will review DOE's current practices in this area to determine what steps, if any, need to be taken.

Question 108. (Follow-up) Do you foresee any problems in providing particular types of DOE information to Congress or GAO?

Answer. The above-mentioned review, would, among other things, attempt to identify any such problems.

Question 109. (Follow-up) If so, what are these problems and how will you address them?

Answer. If such problems are identified, I will work with Congress to identify options for addressing them.

Question 110. The NNSA Strategic Plan states that "[a]s of Fall 2004, the DOE is proposing to transfer a number of environmental activities from the Office of Environmental Management (EM) to the NNSA beginning in FY 2006." Do you support that? If so, how do you plan to ensure that the NNSA will conduct effective cleanup programs? What makes you believe that the NNSA has the expertise to do so?

Answer. I understand that there have been some concerns expressed in Congress over transferring these responsibilities from EM to NNSA. If confirmed, I would review this issue and I would be happy to meet with you to better understand your views on this matter.

Question 111. The managers' statement accompanying the Foreign Operations Appropriations Act calls on the U.S. AID to work with Secretaries of State, Agriculture, and Energy to devise a reforestation strategy for areas of Haiti that are vulnerable to erosion.

How do you view the Department of Energy's role in helping international relief efforts like this?

Answer. I am generally aware of this issue and, if confirmed, I would be happy to look into the matter in more detail and get back to you.

Question 112. Will you take an interest in the Haitian effort and make sure that DOE plays an instrumental role in developing the reforestation strategy?

Answer. I am generally aware of this issue and, if confirmed, I would be happy to look into the matter in more detail and get back to you.

Question 113. Questions have been raised about the use of the resources of the Criminal Investigation Division of the Internal Revenue Service to provide you with a security detail in your current position as the Deputy Secretary of the Treasury. Last summer, lawyers for the Internal Revenue Service took the position that the Service could provide this service to you, provided it was done "pursuant to a written agreement on a reimbursable basis." We have since learned that no such written agreement exists and no reimbursement has been requested or paid.

Are you aware of this matter?

Answer. I am aware that arrangements were made with the IRS to provide protection for me in my role as the Deputy Secretary of the Treasury. I understand that sufficient legal authority exists for the IRS to provide such protection, that a written agreement to provide reimbursement to the IRS for a variety of services provided to Treasury has been in place for some time, that this written agreement will be used to provide reimbursement to the IRS for costs incurred by the IRS for my protection, and that a cost estimate has been received from the IRS for these services and approved by Treasury.

Question 114. (Follow-up) Why hasn't this matter been settled?

Answer. I believe that sufficient arrangements have been put in place to address this matter going forward. The IRS and the Treasury Department have agreed on both the legal authority and the reimbursement method.

Question 115. (Follow-up) Will it be before you leave the Treasury Department?

Answer. My understanding is that the IRS is intending to submit a request for reimbursement shortly. Upon receipt of that request, the Department intends to make immediate payment.

QUESTIONS FROM SENATOR AKAKA

Question 116. The President's Hydrogen Fuel Initiative, announced in 2003, would provide the bulk of hydrogen appropriations to development of hydrogen fuel, infrastructure, and technology for transportation. Considering the hydrogen economy broadly, please provide your views on whether this is the appropriate focus for hydrogen research and development. What priority would you give to the areas of (1) production of hydrogen from renewable (or other widely available) sources of energy;

Answer. I have not yet reviewed the Department's plans in detail, but I do know that the Department has undertaken a rigorous and comprehensive approach to hydrogen that has been independently evaluated by the National Academy of Sciences and other external groups. I understand that the production of hydrogen from renewable energy is a priority identified in the Department's plan.

Question 117. (Follow-up) . . . and (2) development of low-cost stationary or distributed generation of energy through fuel cells?

Answer. I understand that developing technologies for distributed energy fuel cells is also a priority in the Department's plan.

Question 118. Hydrogen and methane hydrates are decades away from becoming major sources of energy. We need other sources of energy to help us in transition to utilizing these sources of energy. Liquefied Natural Gas (LNG) is increasingly seen as an attractive source of energy for many applications.

Do you have plans or policies to encourage the siting and development of LNG terminals or use of LNG in areas that might have a disadvantage because of more limited markets, such as Hawaii or other insular or remote areas?

Answer. Like the President, I believe the nation's fuel mix should be balanced and diversified and that liquefied natural gas can and should play an important role in completing that mix. I am not aware of issues specific to siting facilities in more

disadvantaged markets, but will be available to discuss any concerns you may have VI am confirmed.

Question 119. Certain regions of our country are overly dependent on one source of energy or on an imported source of energy. Hawaii is very dependent on imported oil. Hawaii's residents and visitors use oil to meet 90 per cent of their energy needs. Hawaii's dependence on oil poses risks to Hawaii's economy from price increases or from supply problems. Our energy costs are among the highest in the nation. What are your views on the production tax credits that were renewed and extended by Congress in the JOBS bill last year?

Answer. I support the renewable energy tax credits that were signed into law by President Bush.

Question 120. (Follow-up) Are tax incentives such as production tax credits effective ways to stimulate renewable energy production?

Answer. As we have seen from the fact that wind development occurs when incentives are in place, and does not occur when they are not, I believe it is clear that tax incentives can be effective in stimulating renewable energy production.

Question 121. (Follow-up) Do you have alternative suggestions?

Answer. Not at this time, Senator.

Question 122. Will you support initiatives such as a DOE-sponsored study that assesses Hawaii's energy future and the options it faces?

Answer. I would be happy to look into this if confirmed.

Question 123. Given the Bush Administration's views on Global Climate Change, how will they affect your leadership of the climate change research, modeling, and technology programs in the DOE?

Answer. The Administration believes that climate change is a century-long challenge requiring significant investments in science and technology. If confirmed, I will continue these programs.

Question 124. What mandatory measures would you consider as part of responsible U.S. policy to deal with the problem of global warming?

Answer. The United States has a number of existing mandatory measures, including corporate average fuel economy (CAFE) and energy efficiency standards for appliances that I consider to be part of such a policy.

Question 125. The Department of Energy needs an aggressive program to identify and secure, or dispose of, GTCC sealed nuclear sources. The GAO study that I requested shows that DOE has been delinquent in identifying a depository for used GTCC sources of radioactivity. Since the hearing on Low Level Radioactive Waste held by this committee last fall, can you please inform me of what progress has been made toward identifying a depository and initiating the stages of the environmental impact assessment?

Answer. Senator, I am unfamiliar with this issue. If confirmed, I will look into it and I would be happy to get back to you on the progress that has been made.

QUESTIONS FROM SENATOR DORGAN

Question 126. As you may know, I am a huge proponent of establishing a hydrogen fuel-cell economy. I am a founding member of the Senate Hydrogen and Fuel Cell Caucus. We have been working with representatives from the private sector who have a stake in a hydrogen future, and our Senate and House colleagues to come up with legislation that would put us on a path to achieving this goal. In the last Congress, I introduced legislation that committed \$6.5 billion over 10 years for establishing a hydrogen program. In comparison, the Administration has proposed re-diverting funds from other programs to fund hydrogen research, with less than half the funding being "new" money.

How do you feel about hydrogen and where we are currently heading in our research?

Answer. From what I have seen thus far, I believe the Department of Energy is pursuing the correct priorities in their hydrogen program, and they are achieving significant progress.

Question 127. Do you believe the DOE can provide more guidance in accomplishing our goal of creating a hydrogen economy or do you believe private organizations should take a more significant role in developing this infrastructure?

Answer. They must work together. Through the Department's FreedomCAR and Fuel Partnership, three major automotive and five energy companies are already working closely together with the government to overcome the technical and other obstacles that stand between us and a hydrogen economy. As customer requirements are met and as the business case for hydrogen becomes clearer, the private sector will actually build and deploy the vehicles and infrastructure for mass markets.

Question 128. If confirmed, how aggressive will you be in pushing forward on this initiative and ensuring we put hydrogen fuel-cell cars on the road in the foreseeable future?

Answer. Should I be confirmed, I would expect to continue the President's aggressive program, proposing to modify it, of course, as appropriate as we learn more.

Question 129. Can we count on your support if and when we introduce a bipartisan hydrogen measure in the 109th Congress?

Answer. I cannot assure you of my support of a bill containing provisions I have not seen. However, I will certainly maintain an open mind, and will support those provisions which are consistent with the Administration's policy goals for hydrogen.

Question 130. North Dakota has been referred to as the "Saudi Arabia" of wind energy and is positioning itself to be a major player in developing this renewable energy. However, there are many areas that need to be addressed at the federal level for this sector to really gain momentum. One of these is transmission and infrastructure improvements. While I know some of these issues are regulated by the FERC, I also believe the DOE can play a significant role in developing this resource. For instance, support of a renewable portfolio standard (RPS) would be a great catalyst for wind development.

Additionally, the wind production tax credit needs to be made permanent to spur investment. The constant stop and start in wind energy development creates havoc with developing major projects.

Do you support an RPS?

Answer. I do not support a "one size fits all," federally-mandated renewable portfolio standard. Because renewable resources vary widely from state to state, and because retail electricity is regulated largely at the state level, I believe that states should be free to develop their own Renewable Portfolio Standards that fit their situation and their available resources. Approximately 19 states have done so, including Texas when President Bush served as Governor.

Question 131. Do you believe the federal government should lead by example and purchase a significant amount of its electricity from renewable sources?

Answer. Yes. It is my understanding that we are on track to meet the goals originally established by the Clinton Administration, and supported and pursued by this Administration.

Question 132. The Department of Energy recently created an office of transmission to examine these issues. What is the status of that department and how will it undertake solving the transmission problem?

Answer. The Office of Electric Transmission & Distribution was established in August, 2003 to combine DOE's electricity-related programs and research in a single, focused office. The mission of the Office is to lead a national effort to modernize and expand America's electric delivery system. This is a critically important effort.

Question 133. It is not easy to solve transmission. The problem most often cited by developers is a lack of certainty. Developers simply do not know what the rules will be. One solution is to develop a single system-wide average price for the bulk transmission system. This is the pricing structure that has been agreed to by the Upper Great Plains Transmission Coalition and its members. How can the DOE help to reach agreements on regulations that provide meaningful incentives to development such as system-wide average pricing?

Answer. I would like to learn more about the Upper Great Plains Transmission Coalition you have referred to, and look forward to working with you in this regard.

Question 134. I am a huge proponent of developing clean coal programs, especially given North Dakota's vast amounts of lignite coal. Last year the President's budget increased funding for FutureGen, but most of the funding was taken from the Clean Coal Power program. I support FutureGen, but not at the expense of other Clean Coal programs.

Where do you see the clean coal program headed?

Answer. While I have not yet had extensive briefings, I believe the Clean Coal Power initiative can play a key role in using our abundant coal resources more efficiently while reducing emissions.

Question 135. How do you feel about FutureGen?

Answer. FutureGen is designed to be the ultimate clean coal power plant. It seeks to combine many of the technologies developed under the clean coal program with carbon sequestration.

Question 136. Do you believe it should be one large project or do you think we can have several smaller versions?

Answer. I would like an opportunity to review this issue further before making this determination.

Question 137. The development of the ethanol industry is an important issue in the Great Plains. The job development associated with replacing 25% of the oil we

consume today with ethanol is considered to be “tens of billions of dollars and create 750,000 jobs.” Additionally, since we first considered a Renewable Fuels Standard (RFS), there have been increases in the production of ethanol and some feel that the RFS contained in the comprehensive energy bill is outdated.

As you develop the nation’s energy policy how would you aid the development of ethanol?

Answer. As you know, the Administration fully supports the Renewable Fuels Standard and tax incentives designed to aid the development of ethanol and biodiesel. The dramatic growth in ethanol and biodiesel production and use under this Administration is an indication that our policies are working.

Question 138. Do you believe the RFS provided in the comprehensive energy bill needs to be modified to accurately reflect the increased production of ethanol in this country?

Answer. This is an issue that I would review if confirmed.

Question 139. Can an increase in the use of ethanol curb our dependency on foreign oil?

Answer. While it cannot fully eliminate our dependence on foreign oil, it can certainly make a positive contribution.

Question 140. I support expanding the involvement of colleges and universities in looking for new technologies to increase and expand our energy portfolio. I have been pushing an effort by Bismarck State College to become a Center of Excellence for training power plant operators. I have also supported EERC’s efforts in developing new and innovative energy technology programs. From coal to hydrogen, I believe colleges and universities can play a significant role in diversifying our energy portfolio.

As a former academic, do you support DOE and the national laboratories reaching out to rural areas and partnering with educational institutions to help solve the types of energy problems we are facing today?

Answer. Yes. I believe it is extremely important for the DOE laboratories to reach out to academic institutions all across the United States. Universities provide access to the nation’s largest scientific talent pool and to the next-generation of scientists. Development of the workforce through the support of faculty, graduate students working toward doctoral degrees, and postdoctoral associates developing their research and management skills is a high priority. Of course, I am not yet familiar with the specifics of the interaction between our national laboratories and the university community, but I agree that these interactions are of great benefit to both sides.

Question 141. The Western Area Power Administration (WAPA) is vitally important to my constituents and many others who depend on the federal hydropower to meet their power needs. In the past few years this Administration has proposed eliminating a program called the purchased power and wheeling program. This program allows the Power Marketing Administrations to purchase power for preference customers when the reservoirs are low and to pay for the delivery of power over non-federal transmission lines. I’ve fought to retain this program because the PMAs have an obligation to meet contracts, and it makes no sense to tie their hands behind their back. This program is also no cost because the customers pay it back.

As the Secretary of Energy I hope you will see the value of the federal power program and discourage any attempts to undermine it.

Answer. I support the Power Marketing Administrations, but have not been briefed on any budget proposals for the next fiscal year and, therefore, I cannot offer you insights into what level of funding may be proposed for any particular program.

Question 142. In my region of the United States, the Western Area Power Administration (WAPA) is a very important part our communities and the economic lifeblood of the entire region. They distribute low-cost, nonpolluting, renewable hydroelectric power to consumer-owned utilities from the federal main stem dams on the Missouri River, and support our farmers, ranchers and small communities. They operate an extremely reliable system. Support for the power marketing administrations has been strongly bipartisan, and especially so in the Missouri River Basin. We have two major concerns:

- We want to make sure that you and the Department will continue to support WAPA and the other federal power marketing administrations; and
- Will support federal appropriations for important system upgrades to ensure that reliability in a very difficult climate.

What are your views regarding these two concerns?

Answer. If confirmed, I will continue to support WAPA and will work with you and other Members to ensure appropriate investments in system upgrades.

Question 143. We are very concerned about electricity restructuring in my region. The intent of state and federal actions in this area during the past 10+ years was apparently to reduce costs in regions with high electricity costs. This hasn't worked. States that have acted have expressed buyer's remorse, because costs have gone up. Evidence thus far indicates that the creation of Independent System Operators and Regional Transmission Organizations has actually increased regional costs in lower cost areas, while not reducing costs significantly in higher cost areas. I am from a relatively low-cost region, and I do not want consumers in my area to experience higher costs.

What are your plans for examining this significant problem, especially in light of your stewardship of the power marketing administrations, relationship with the Federal Energy Regulatory Commission, and the pendency of national energy legislation?

Answer. I am committed to working with this Committee to develop an approach to stimulate investment in the grid that takes into consideration the fact that some parts of the country are regulated while others are not; that some areas have a more reliable network for delivery than others; and, that some markets have more expensive power than others. If confirmed, I would use the tools at my disposal to support our objectives.

Question 144. We import nearly 60 percent of our oil and most of this comes from very troubled parts of the world. The rise in oil prices over the last several years has shown that we cannot simply "dig and drill" our way out of our reliance on petroleum products. We need a more focused and realistic approach and I do not believe drilling in ANWR is the answer.

Putting pressure on OPEC to keep production levels high and maintaining its current pricing scheme in the \$22 to \$28 range, implementing efficiency measures, and ensuring the U.S. takes advantage of higher oil prices instead of filling the SPR are some of the common-sense, little things we can do. But, we also need to focus on more broad, long-term measures to address our oil dependence.

What are your thoughts about filling the SPR instead of putting this oil on the market?

Answer. In November 2001, the President directed DOE to fill the SPR to capacity using royalty-in-kind oil from government leases. The President has stated repeatedly that the Strategic Petroleum Reserve should only be used in the event of a major supply disruption. If confirmed, I will support the President and the implementation of this policy.

Question 145. Don't you think this excess oil, if put on the market, could (1) stabilize prices and (2) provide additional revenues in a time of unprecedented budget deficits?

Answer. The President has stated repeatedly that the Strategic Petroleum Reserve should only be used in the event of a major supply disruption, not as a means to manipulate the market. If confirmed, I will support the President and the implementation of this policy.

Question 146. What do you think the role of the DOE Secretary should be in curbing our dependence on foreign sources of oil?

Answer. I believe that the role is one of policy leadership for the Administration. If confirmed, I will work for the continued development of programs like the President's FreedomCAR and Hydrogen Fuel Initiatives and the energy efficiency and renewable energy programs currently engaged by the Department.

Question 147. Saving energy is as important to meeting our energy needs as producing it. In fact energy efficiency is our greatest energy resource—the Alliance to Save Energy has found that we save more energy each year due to energy efficiency over the last three decades than we produce from oil, coal, or any single energy source.

What do you see as the role of energy efficiency in a national energy policy, and what policies would you use to fulfill the potential of energy efficiency to meet our national energy needs?

Answer. Energy efficiency is generally the quickest and least expensive method of balancing energy supply and demand, so we should and we will use conservation and energy efficiency efforts as part of our balanced energy strategy. Markets and consumers naturally look to achieve greater levels of efficiency even without help, but the Department of Energy assists using a variety of methods designed to help markets and consumers choose energy efficiency. Should I be confirmed, I would expect to continue to advance effective methods of promoting energy efficiency.

Question 148. High natural gas prices are forcing factories to shut down and low-income homeowners to abandon their homes. Back in 2003, the National Petroleum Council concluded, in a report requested by Secretary Abraham, that traditional natural gas sources will not be able to meet projected demand, and that "greater

energy efficiency and conservation are vital near-term and long-term mechanisms for moderating price levels and reducing volatility.” Yet funding for DOE energy efficiency programs has been cut three years in a row.

Will you support increased funding for DOE energy efficiency programs to help bring natural gas supply and demand back into balance?

Answer. Energy efficiency has enjoyed strong budgetary support under President Bush’s leadership. It is my hope that we can continue this support. We do hope to achieve better results going forward, and that will by my goal should I be confirmed.

Question 149. Many DOE efficiency programs on buildings, industry, distributed energy and other areas affect natural gas use—how will you ensure coordination of these programs to respond to national needs?

Answer. I am informed that most of these programs are currently managed under a single Deputy Assistant Secretary for Technology Development in the Office of Energy Efficiency and Renewable Energy to ensure effective coordination and integration. I will review the current situation and recommend improvements as needed.

Question 150. One of the best ways to save natural gas is through a strong furnace efficiency standard. But DOE in a recent preliminary rulemaking, argued with little evidence that it cannot set a higher standard for furnaces in colder climates, where better furnaces make the most sense.

Will you take another look at this issue before the draft rule comes out, in order to maximize the cost-effective reduction in natural gas demand?

Answer. If confirmed, I would be pleased to do so.

Question 151. The Department of Commerce’s “Manufacturing in America” report last January made a number of recommendations for improving the economic conditions for manufacturing, so we can stem the flow of good jobs going overseas. The Industrial Best Practices program and other programs are designed to reduce costs by reducing wasted fuel and emissions, as well as to improve worker skills and workplace safety.

Will you help DOE strengthen the Industrial programs and assist in meeting the recommendations of the Commerce Department’s report? Are the major proposed cuts to the Industries of the Future programs consistent with the goal of helping U.S. manufacturers?

Answer. I intend to familiarize myself with the report’s implications for our nation’s energy sector. I, like this Administration, am always interested in providing the best opportunity for American business to succeed and will work to make sure our efforts recognize the needs of all sectors of the American economy.

Question 152. As you know, in May of last year, Secretary Abraham launched the Global Threat Reduction Initiative (GTRI) which integrates a number of programs concerned with securing or removing nuclear materials from facilities around the world. I’ve been very pleased with the progress that was made during the first term and hope that the program continues to receive full funding.

In your new role at the Department, will you continue to support this important initiative?

Answer. Yes.

Question 153. In light of the President’s campaign promise to have sites secured by the end of 2008, will he be requesting additional funds this year for the GTRI program?

Answer. In my capacity as Deputy Secretary of Treasury, I am not familiar with any of the provisions of the Department of Energy’s FY06 budget and am unable to answer the question. If confirmed, however, I will review the budget situation and work to continue this program.

Question 154. More than 180,000 megawatts of new natural gas-fired units have been permitted or constructed since 2000. This capacity was added in anticipation of forecasted natural gas supplies that never materialized and at wellhead prices well below current and projected markets. Now much of this newly constructed capacity is idle or operating well below design parameters. Providing financial incentives to support the conversion of these NGCC units to IGCC would have the added benefit of reducing both the cost and reliability issues that have to date prevented the commercial use of IGCC technologies.

Has the Administration considered proposals to provide federal financial incentives to “refuel” some of these existing, but underutilized, natural gas combined cycle (NGCC) units with Integrated Gasification Combined Cycle (IGCC) technology and would the Administration support this effort to reduce the demand on natural gas for electricity generation by using our nation’s abundant coal resources?

Answer. I will have to look more carefully at the possibility of using federal incentives to support the conversion of natural gas combined cycle units to integrated gasification combined cycle technology. If confirmed, I would look forward to investigating this thoroughly and working with you.

QUESTIONS FROM SENATOR WYDEN

Question 155. The continued economic viability of the Klamath Basin agricultural community is a matter of great importance to Southern Oregon. PacifiCorp's hydroelectric facilities in the basin are currently undergoing relicensing proceedings before the Federal Energy Regulatory Commission (FERC). PacifiCorp has proposed raising the power rate 10 to 20 times over the current rate which was a term of the 1956 license. When the Bureau of Reclamation's (Reclamation) Klamath Project was authorized, Reclamation was given water rights for irrigation and electrical power generation with Klamath River waters. In lieu of Reclamation building power, the generation for Klamath Project irrigation and drainage purposes, the predecessors of Pacific Power, a subsidiary of Scottish Power, entered into agreement with the United States to provide power at a negotiated rate, in exchange for the use of rights reserved by Reclamation for that generating capacity. That agreement is a condition of the current utility's FERC license, which is in the process of renewal. Is there anything that the Department of Energy can do to help ensure that the Klamath Basin agricultural community can continue to have the affordable power rates the community needs for its economic viability?

Answer. As you know, FERC functions independently of the rest of DOE. However, the Secretary does have certain authorities to participate in FERC proceedings and propose policies for FERC's consideration. If confirmed, I would be happy to look further into the concerns of your constituents in the Klamath Basin agricultural community and would look forward to working with you in this regard.

Question 156. If so, please answer the three additional questions below. If not, what other agency or department of the Federal government may be able to assist the community in continuing to receive affordable power?

Answer. As stated above, I would be happy to work with you to explore assistance that DOE may be able to provide.

Question 157. Is there any reason that the United States should not continue receiving consideration from the utility through conditioning of the FERC license?

Answer. Senator, I will need to look more closely at the issues surrounding the license renewal.

Question 158. Water supply issues are critical in the Klamath Basin. Irrigation water conservation has an energy component and that wildlife and endangered species rely on that conserved water. Is it in the best interest of the United States to see that energy for irrigation water conservation remains affordable in the Klamath Basin?

Answer. Yes.

Question 159. The United States has invested over \$50 million in Klamath Basin U.S. Department of Agriculture's Environmental Quality Implementation Programs (EQIP) alone since 2002. This does not include additional substantial long-term federal investments in Wetland Reserve and U.S. Fish and Wildlife Service refuge management efforts that rely on pumped water. Is it in the best interest of the United States to protect the public's long term investment in Klamath Basin wetlands and refuges through continued, affordable power?

Answer. Yes.

QUESTIONS FROM SENATOR LANDRIEU

Question 160. Mr. Bodman one of DOE's core missions is to ensure a diversified portfolio of energy supply so that demand and supply are balanced. As the new Secretary of Energy what will you do programmatically to immediately address: a) the need for more diversified energy sources and b) the current and projected inequities in the natural gas supply and demand equation?

Answer. Senator Landrieu, you have raised a point which is central to the mission of DOE. One of our most important priorities will be to continue to develop new sources of energy and promote a wide array of energy sources for our country. As I mentioned at the hearing, in meeting with Members of this Committee I have found great enthusiasm about taking up a comprehensive energy policy bill, and this is one of the most important steps we can take to further diversify our energy portfolio. I believe the Bush Administration should get good marks for having proposed a balanced portfolio, whether it's developing supply on the one hand or greater efficiency on the other. If confirmed, I would look forward to working with you and your colleagues to enact policies which will further diversify our nation's supply of energy.

The second part of your question concerns the supply and demand of natural gas. Conservation and efficiency measures must be pursued. Certainly we must also consider policies which will allow greater exploitation of this resource, such as moving forward with implementation of the Alaska natural gas pipeline. As you are well

aware, the combination of higher natural gas prices, rising natural gas demand, and lower LNG production costs is setting the stage for increased LNG trade in the years ahead. This will also help to address the need.

Question 161. States that have mineral production on federal lands within their boundaries receive 50% of the revenues generated from that production. These funds are distributed annually as an entitlement and are not subject to appropriation. However, there is no similar provision in law for coastal producing states for the federal oil and gas revenues generated on the Outer Continental Shelf (OCS) off of their coasts.

Answer. I understand this issue is very important to states such as Louisiana that host a significant share of the infrastructure that support our offshore oil and natural gas production. If confirmed, I would be happy to look into this issue.

Question 162. Are you aware of this inequity and if so do you think that coastal producing states should receive a portion of OCS revenues for serving as the platform for the development of significant natural resources as well as revenues for the country?

Answer. I understand the importance of this issue to you and would be happy to look into it if I am confirmed.

Question 163. Do you think coastal producing states should be compensated for the onshore impacts that occur as a result of this federal activity?

Answer. All of the Outer Continental Shelf issues are matters I intend to evaluate and discuss with you further if I am confirmed.

Question 164. In light of the President's supporting remarks for advanced nuclear power in the Wall Street Journal on January 10, 2005 what do you think is the best means of incentivizing nuclear power? And do you intend to continue to fund the Clean Coal technology Demonstration and Research and Development at the current levels?

Answer. I understand DOE is implementing a number of programs designed to grow the use of nuclear energy. These include the development of new and extremely efficient reactor designs, a concerted effort to jump start the licensing of a new facility, and the President's decision to support the Yucca Mountain Project. The importance of adding new nuclear generation may merit additional incentives and, if confirmed, I expect to review all reasonable proposals.

Coal is the dominant source of our electric energy in this country and will be for the foreseeable future. The Administration has proposed—and the Department has pursued—a number of initiatives with respect to coal, the so-called Clean Coal Power Initiatives (CCPI). Public private partnerships such as the CCPI are central to the strategy of this Department, and, if confirmed, I would expect to continue CCPI in the years ahead.

Question 165. How do you intend to accelerate the clean-up and closure of the remaining High Level Waste (HLW) tanks and the HLW that they contain thereby reducing the risks to our nation's water supply?

Answer. The remediation of liquid radioactive waste stored in aging underground tanks is by far the greatest environmental challenge facing the Department of Energy. It is my understanding that the Department's current accelerated cleanup effort has resulted in reducing the expected cleanup completion time by 35 years and a reduction in life-cycle cleanup costs of \$50 billion. If confirmed, I intend to learn more about this very important issue and I would be happy to discuss it with you further.

Question 166. As you know the U.S. Government has been funding Superconductivity research in partnership with U.S. industry since the 1980's. It has been the hope for decades that U.S. companies would pioneer these new technologies and create businesses in the U.S., creating thousands of new jobs.

However, the insufficient research dollars that have been committed to new technologies pose significant entry barriers for potential commercialization. In fact, many foreign governments around the globe have surpassed the U.S. in superconductivity research dollars.

How do you see the transition of superconductivity from Research and Development to commercial applications evolving, particularly at a time that our electrical transmission grid demands modernization?

Answer. I understand that the Office of Electric Transmission and Distribution, responsible for superconductivity research, has not received the funding amounts for superconductivity research that has been sought in the President's budget. If I am confirmed, I will be pleased to work with you to ensure that the programs aimed at commercializing such technologies are appropriately funded.

Question 167. Do you support the President's view for the modernization of America's electrical transmission grid and the critical role to be played by super-

conductive transmission cables in this effort as outlined in the National Electric Delivery Technologies Roadmap report released last year?

Answer. I support the President's view. I am not familiar with the report referenced but I recognize the importance of our efforts to modernize the nation's transmission grid with new technologies such as superconductivity.

Question 168. The President says that climate change is a serious issue and that the Administration is committed to a strategy of developing new energy sources as one of its principal responses.

In many ways, though, Climate Change Technology Program, the President's interagency task force is not nearly as well organized as the analogous program of scientific research, the Climate Change Science Program. For example:

- CCTP is not grounded in unified authorizing legislation.
- There is no periodic reporting schedule to allow Congress and others to assess progress.
- There is no full time staff tasked with coordinating the multi-agency effort.
- The administration, despite earlier promises that a strategic plan would be forthcoming, has never produced one or at least has not released it to the congress public and the relevant research communities.

Do you intend to correct these management gaps in CCTP? If so, could you indicate to us in what timeframe might we expect to see action?

Answer. As the former co-chair of the interagency working group on climate change science and technology integration, I am well aware of the challenges facing the CCTP. If confirmed, I will work diligently to address those challenges.

Question 169. British Prime Minister Tony Blair has announced that one focal point of the G-8 session scheduled for later this year will be approaches to increasing international cooperation of the development of climate friendly technologies. Given President Bush's emphasis on improving U.S./European relations, what changes could be made to the Climate Change Technology Program before the G-8 summit to increase international cooperation?

Answer. The UK is a partner with the U.S. in our major multilateral climate change technology initiatives. If confirmed, I will seek to broaden and strengthen that relationship.

Question 170. Although the Administration has engaged in a number of cooperative international R&D agreements, it has not so far offered to seek increased U.S. expenditures on climate related R&D if other major nations would make comparable spending increases. On its face, such a pledge and review approach could greatly leverage the impact of U.S. expenditures in developing new climate friendly energy sources. What is your reaction to linking U.S. R&D increases to those in Europe, Japan, and elsewhere?

Answer. Due to the fact that climate related R&D is within the purview of several agencies, and that the final decisions on U.S. expenditures in this area rest with Congress, I would not favor linkage between funding levels and decisions made in other nations as DOE policy.

Question 171. In both NASA and DOD, inducement prizes are used to encourage technological innovation. A workshop of the National Academy of Science recommended that this approach supplement more conventional grant and contract arrangements. How would you feel about exploring the use of inducement prizes as an incentive for scientific and technological innovation in DOE? What plans does DOE have for evaluating such a concept?

Answer. I am not yet familiar with the recommendations from this workshop or any plans at the Department to use inducement prizes as incentives for scientific innovation.

Question 172. Are there any obstacles to DOE establishing inducement prizes?

Answer. Because I am not yet familiar with the Department's plan in this area I cannot speak to any particular obstacles the Department is facing in this area.

QUESTIONS FROM SENATOR FEINSTEIN

Question 173. Do you anticipate the Department requesting funding for the National Ignition Facility in accord with the revised project baseline in Fiscal Year 2006 and beyond?

Answer. At this time, I cannot comment on the FY '06 budget request. However, it is my understanding that the Department has been a strong supporter of the National Ignition Facility.

Question 174. Do you plan to request funding for these programs in the Fiscal Year 2006 request? Do you believe that the nuclear bunker buster program should be moved into defense appropriations budget?

Answer. I have not been briefed on the FY '06 budget request. With regard to moving the Robust Nuclear Earth Penetrator (RNEP) study funding to the defense appropriations budget, I am not yet familiar enough with the budget to respond. As we discussed at the confirmation hearing, your passion on this subject is well known and, if confirmed, I would be happy to visit with you as soon as I have learned the particulars of the issue.

Question 175. Do you believe we need a new plutonium pit manufacturing plant capable of producing at Cold War levels? When will the final Environmental Impact Statement be released? Do you favor a particular site for the MPF?

Answer. I am aware that there is an ongoing process for deciding if we should proceed with building a Modern Pit Facility but it would be premature for me to comment on the timing of any decision or location of such a facility.

Question 176. The November 2004 National Nuclear Security Administration (NNSA) Strategic Plan states under "Design, develop, and produce a new warhead: Our goal is to be able to design, develop, and begin production of a new warhead within 3-4 years of a decision to do so." (Page 20, <http://www.nnsa.doe.gov>).

To what extent do you think that goal could undermine our Nation's ability to persuade other countries not to pursue their own weapons of mass destruction?

Answer. The U.S. nuclear weapons complex needs to ensure the safety, security and reliability of the stockpile. This includes the capability to meet emerging threats and to address any unforeseen reliability concerns in the stockpile. These activities should not encourage proliferation by other nations but rather reinforce the desire of the United States to maintain a credible deterrent.

Question 177. The same paragraph in the NNSA Strategic Plan says "While there are no current plans to develop and produce new weapons, regaining the capability is an important prerequisite for additional reductions in the nuclear stockpile." In your view, to what degree is regaining the capability to develop and produce new weapons directly linked to future arsenal reductions? Do you regard it as an absolute requirement? If so, how might that discourage other countries from reducing their stockpiles?

Answer. The United States is committed to reducing the size of its stockpile. We must be assured that the nuclear weapons complex has the tools to meet present and future challenges to our national security. It is necessary that we provide a credible nuclear deterrent in a rapidly changing world.

Plutonium disposition is a core element of the Administration's nonproliferation program, yet over \$700 million has been appropriated over the last two years for the Mixed-Oxide Fuel Fabrication Facility which is not being spent because of a hold up in the program due to liability issues and the failure of Russia to move forward with their parallel program.

Furthermore, DOE's June 2004 report on plutonium storage at the Savannah River Site indicated that 13 tons of plutonium, of the 34 tons planned for disposition, are too impure for the MOX process.

Question 178. Do you foresee any modification to the U.S.'s position on the NPT, such as revoking the "unequivocal commitment" to undertake practical disarmament steps made by the Clinton Administration at the 2000 NPT Review Conference?

Answer. I am not in a position at this time to comment on this treaty.

Question 179. What is the end state for the 6,000 to 8,000 weapons that will no longer be operationally deployed?

Answer. I have not yet seen the classified details of the ongoing stockpile reductions. I do understand that the National Nuclear Security Administration and the Department of Defense have begun working on how to deal with weapons no longer needed for the stockpile.

QUESTIONS FROM SENATOR CANTWELL

Question 180. When we met, we informally discussed the challenges the Northwest faces with respect to electricity rates and our efforts to deal with the aftermath of the Western energy crisis of 2000-2001. I know you recognize the sad fact that the Northwest is far from out of the woods on the rates crisis.

Obviously, the Western market meltdown has had a profound impact on my state's economy, the pocketbooks and economic well-being of my constituents—too many of whom have had to make the choice between keeping their heat and lights on and buying food, paying rent, and purchasing prescription drugs. In some parts of Washington State, utility disconnection rates have risen more than 40 percent.

People just cannot pay their utility bills. So you can imagine, what we've seen and heard since the height of the crisis—as we've learned about the market manipulation and fraud that took place in the Western market, while Enron energy traders laughed about the plight of "Grandma Millie"—has added tremendous insult to sub-

stantial economic injury. Moreover, the Western crisis has brought to the forefront a number of very important policy questions about the kind of behavior that will be tolerated in our nation's electricity markets, as the Federal Energy Regulatory Commission (FERC) has continued to pursue its "restructuring" agenda.

As the Secretary of Energy, you would have a very important, leading role—defined in the 1977 Department of Energy Organization Act—in guiding overall electric regulatory policy.

As such, before I get into some of the specifics, I want to make sure we are on the same page when it comes to these broader principles and policies:

First, do you agree that the types of schemes used by Enron traders—manipulation tactics with famous nicknames like Get Shorty, Death Star and Ricochet, many of which involved the falsification of data and have been deemed illegal by the Federal Energy Regulatory Commission (FERC)—are practices that must not be tolerated in our nation's electricity markets?

Answer. Senator Cantwell, illegal market manipulation certainly cannot be tolerated, and we should vigorously enforce the relevant laws.

Question 181. Do you also agree that, as a matter of common-sense policy, the victims of these schemes should not have to pay the inflated power prices resulting from market manipulation?

Answer. We must take appropriate action to protect consumers against the effects of illegal market manipulation.

Question 182. Do you also agree that this principle is even more important in instances in which the company perpetrating these schemes has done so while providing false information to federal regulators, making it impossible for those regulators to ensure markets are functioning properly?

Answer. Any form of market manipulation, including providing false information to regulators as you have described, is intolerable and we should vigorously enforce the relevant laws. As you know, FERC and/or the courts have the authority to review such cases and make appropriate judgments.

Question 183. I particularly want to ask you your views about instances where the company perpetrating these schemes has frustrated the efforts of regulators and parties trying to find the truth about the depth of its deceptions, failing to turn over relevant evidence in a timely fashion. Do you believe that, as a matter of national energy policy, a company like that should still be allowed to reap the profits of its market manipulation schemes?

Answer. As I am not aware of all the details of current allegations, I cannot comment at this time but I would reassert that I agree that regulatory authorities should act appropriately to protect consumers against unscrupulous or illegal conduct.

Question 184. Sadly, the theoretical situation I outlined in my first question is not theoretical at all. It's the situation that has been unfolding at FERC for the past few years. Not only are Western parties trying to recover some small fraction of the money they lost to Enron as a result of its unscrupulous trading practices, they are trying to avoid paying even more. Right now, Enron is claiming utilities in Washington state and Nevada alone owe about a half billion dollars more—for power Enron never even delivered. You can understand just how outrageous this seems to my constituents, who are already struggling to pay their power bills.

Unfortunately, justice delayed is justice denied for Enron's victims. It has literally been years now, in which the ratepayers of my state—who have already suffered enough—have been waiting for the other shoe to drop.

My understanding is that the Secretary of Energy has, under the DOE Organization Act, substantial discretion to intervene in matters pending before the Commission. There is also substantial precedent, as both Secretaries Richardson and Abraham have involved themselves in various ways in matters before FERC. I can understand why. I imagine that any Secretary would have a considerable interest in doing so, in ensuring that regulatory matters are being handled in a manner consistent with national energy policy. I hope that you agree that what I've outlined above—the scenario in which Enron is allowed to collect money for power never delivered, at outrageous rates resulting from market manipulation—is not in the public interest, and is not the energy policy endorsed by this Administration.

Will you commit to me that, if confirmed as Secretary, you would use your authority and intervene with FERC to prevent ENRON from collecting these so-called "termination payments" which harm Western consumers?

Answer. Senator Cantwell, under section 405 of the DOE Organization Act, the Secretary of Energy has the ability to intervene, as of right, in proceedings before FERC. It is my understanding that there currently are matters pending before FERC, as well as in the courts, relating to Enron, and that some of those matters have been going on for several months or years. If confirmed, I will look into the

matter and evaluate whether it would be appropriate for DOE to intervene at this point in those proceedings at FERC.

Question 185. In our previous meeting we also had the opportunity to discuss the importance of Hanford cleanup to the people of Washington State and the Pacific Northwest as a whole. It's also my belief that cleaning up the legacy of our defense efforts must be high on our list of national priorities. Cleanup suffers, however, when relationships between the states and DOE, the Congressional delegation and other stakeholders are damaged by the bad faith actions of one of the parties.

I know you are aware of what happened last year, when DOE-authored language was inserted into the Fiscal Year 2005 Defense Authorization bill, behind closed doors, in a Committee that is not the rightful forum for debate on the issue of high-level nuclear waste and how it should be treated and disposed of.

This legislative end-run was viewed by myself and Sen. Murray, as well as the State of Washington and many of our constituents, as an ill-considered attempt to take short-cuts at Hanford.

Will you ensure that the DOE will not attempt a similar legislative end-run around the State of Washington and its Congressional delegation on the issue of high-level waste reclassification, during your tenure as the Secretary of Energy?

Answer. Senator, I appreciated the opportunity to meet with you to hear your views about the Hanford cleanup. I agree with you on the importance of cleaning up the Hanford site in a manner that is protective of human health and the environment. The remediation of liquid radioactive waste stored in aging underground tanks in Washington, Idaho and South Carolina is by far the greatest environmental challenge facing the Department of Energy. It is my understanding that the legislation that was enacted in the last Congress only affects the Department's sites in South Carolina and Idaho. If confirmed, I can assure you that the Department will consult with you and the State of Washington on the cleanup of tank waste.

Question 186. Among the biggest challenges at Hanford is the cleanup of 53 million gallons of nuclear waste, contained in 177 tanks within 7 miles of the Columbia River. Already, some 67 tanks have leaked an estimated one million gallons of this waste into the ground. Retrieving and disposing of the waste in these tanks is one of the most challenging—yet crucial—components of successful Hanford cleanup. The TriParty Agreement lays out the terms of the relationship between the State of Washington and federal government when it comes to cleanup. In the view of the State of Washington, the agreement vests DOE with the responsibility of retrieving and cleaning up “everything that is technically feasible but no less than 99 percent” of the waste in these tanks.

As Secretary of Energy, will you commit to abide by this requirement of the TriParty Agreement?

Answer. The Department will abide by the terms of the TriParty Agreement.

Question 187. As you may know, this Administration's previous budgets have proposed withholding certain cleanup funds until DOE has secured what it views to be favorable outcomes in pending litigation or legislation. This has been widely viewed by many as blackmail, with the purpose of getting the State of Washington to back-down on its cleanup requirements at Hanford.

Will you commit to me that, as Secretary, you will not use these same tactics?

Answer. Senator, I am unaware of the situation you describe. If confirmed, I intend to review the accelerated cleanup program and I would be happy to meet with you and discuss this further.

Question 188. More generally, are you committed to working collaboratively with Washington State regulators, the affected communities' and workers' representatives, and the members of the Washington State Congressional delegation to ensure that the cleanup is fully funded and completed as soon as possible—in a manner that ensures the equal protection of the workers, the public, and the environment?

Answer. Senator, I believe that it is important for the Department to work cooperatively with the congressional delegations that represent the DOE sites, as well as with the State regulators, the local community and the workers' representatives. If confirmed, I would expect this practice to be carried out.

Question 189. Last year, the National Institute of Occupational Safety and Health (NIOSH) and DOE conducted audits at the Hanford nuclear site on the issue of worker health and safety. Both NIOSH and DOE came up with a long list of recommendations and corrective actions. Many improvements have been made. But I also want to ensure that DOE, as a matter of policy, is doing its job in ensuring adequate health and safety protections on an ongoing basis.

As Secretary, what procedures will you put in place to assure that the Department continues to improve its health and safety protection for workers at sites like Hanford?

Answer. The safety of the Department's workers will be a top priority for me if confirmed. I will review the safety procedures and determine whether additional measures are needed.

Question 190. Many major DOE procurement decisions are being challenged and overturned. What will you do to improve the quality, fairness, timeliness, and success of the DOE procurement process?

Answer. Offerors that are not awarded contracts have the right to protest the contract award and other decisions to the Government Accountability Office. It is my understanding that, on a relative basis, very few protests are filed against DOE award decisions. If confirmed, I will ensure that DOE has appropriate standards, systems and quality controls in place to guard against irregularities in the contracting process.

Question 191. Another major concern on the part of many of my constituents is whether DOE is implementing the President's directive to increase government procurements with small business.

What will you do to improve and expand DOE procurements that benefit small businesses, particularly those based in the local communities most affected by contamination and which will suffer severe economic impacts when cleanup is done if local, sustainable businesses are not developed?

Answer. If confirmed, I would fully support the President's policy of increasing government procurements with small businesses.

Question 192. Will you support efforts to expedite evaluations of procurement involving local small businesses—particularly since extended delays are especially harmful to small companies that do not have the resources to keep teams mobilized?

Answer. It would be my intent, if confirmed, to review all of the issues surrounding small business procurement and I would be happy at the appropriate time to meet with you to discuss the matter further.

Question 193. DOE has made a major commitment to the Hanford Vitrification Project. The Defense Board and others have raised questions about the safety of the design and prospect for cost increases and schedule slippage. Given the supreme importance of this project to the future of Hanford cleanup, what do you propose to ensure that this facility stays on track? Is there some value in an independent review?

Answer. Senator, I appreciated the opportunity to discuss this issue with you during our recent meeting. I understand the importance of the Hanford cleanup and I share your view that the cleanup must proceed in a timely, efficient manner that is protective of human health and the environment. If confirmed, I will review the Hanford Vitrification Project and would welcome an opportunity to meet with you again to discuss this project further.

Question 194. The Volpentest HAMMER Training and Education Center at Hanford was built by DOE to ensure the health and safety of Hanford cleanup workers and emergency responders. HAMMER's unique hands-on "Training as Real as It Gets" is essential to the safe, cost-effective, and successful completion of Hanford cleanup. Further, as the cleanup workforce decreases, more of HAMMER's capabilities will become available for other DOE missions, such as energy assurance and hydrogen safety, and for training law enforcement, security, emergency response, and other homeland security-related personnel.

Will you ensure that DOE continues to fully utilize HAMMER to protect the safety and health of Hanford cleanup workers? Will you support the development of new DOE training missions at HAMMER? Will you help with the Department of Homeland Security and other agencies to develop, expand, and support other training missions at HAMMER?

Answer. Senator, I am not familiar with this issue. If confirmed, I would review this matter and I would be happy to report to you my thoughts on HAMMER.

Question 195. When DOE recompetes its major site contracts for complex cleanup projects, the process often takes up to two years with extensive worker and community anxiety. Then, it may take up to another two years for the new contractor management team to get up to speed fully with subsequent impacts on the projects, workers, and communities. None of this is good for DOE, the workers, or the communities.

Will you consult to the extent allowed by law with the affected workers' and communities' representatives before a recompete decision is made, to determine the best course of action?

Answer. Generally, when the government considers contract competition it uses an extensive array of mechanisms to convey public information and obtain feedback from interested parties. If confirmed, I will ensure that DOE employs these mechanisms and practices to the maximum extent practicable.

Question 196. Dr. Bodman, I also know you are beginning to understand the importance that I, and others in the Northwest delegation, place on the Bonneville Power Administration and the policies that affect its long-term viability. BPA has for decades been the engine of the regional economy. As such, I am sure we'll be in frequent contact on many BPA related issues.

First, I want to confirm something we've previously discussed. Namely, I want to ensure that you understand that the decision of whether BPA should join a regional transmission organization (RTO) is something that must be decided in the Northwest, after an inclusive stakeholder process that considers the real world costs and benefits of such a change. Can you commit to me that you will not, in your potential capacity as Energy Secretary, force BPA to join an RTO?

Answer. Senator, I appreciate your bringing the issue to my attention and while I do not feel I am in a position to make a commitment at this time, I can provide assurances that I will work with you on this issue should I be confirmed.

Question 197. Second, as you know, Bonneville has the statutory responsibility to maintain the reliability of the Northwest transmission system, of which it currently owns more than 75 percent. Interestingly, the Northwest is one of the few regions in the country where transmission lines are currently under construction. This is due to the unique way in which BPA uses borrowing authority, backed by Northwest ratepayers, to finance these investments. Unfortunately, the President's budget last year called for legislation that would tie Bonneville's hands, and make it virtually impossible for the agency to continue the transmission expansions necessary to maintain the reliability of the Northwest system. Under the proposal, BPA would exhaust its borrowing authority in 2008—well before the region can complete the needed transmission upgrades. Can you commit to me that as Secretary of Energy you will not support legislation that would impair BPA's ability to make these crucial investments?

Answer. I am not familiar with the funding levels being requested or other proposals for the Bonneville Power Administration in the FY '06 budget. If confirmed, I will evaluate this matter and I would be happy to meet with you to discuss your concerns further.

Question 198. For the past two years, the Pacific Northwest National Laboratory has been working with the Department to solve the issue of replacement facilities and lab space in the 300 Area of Hanford. The 300 Area is home to critical on-going research in science and national and homeland security, but the area is scheduled for closure by 2009 as part of the DOE accelerated cleanup program. Consequently, PNNL must vacate the area on a tight schedule, and without interrupting critical work for the DOE, NNSA, and DHS. Planning for these facilities has begun, but the most substantial funding needs lie ahead. PNNL is an enduring asset to the state and the entire Pacific Northwest region, and we cannot afford to come up short on this investment. I understand we are in a difficult budget environment, but I would like to seek your commitment for continued funding. Will you commit to keep this effort on track?

Answer. I agree with you that the research that takes place at the Pacific Northwest Laboratory 300 Area is important to both science and homeland security issues. It is my understanding that DOE and the Department of Homeland Security are working cooperatively to ensure that a new laboratory is constructed and that the important missions at the laboratory go uninterrupted. If confirmed, I will review this matter and support it as appropriate.

Question 199. Research and technology applications developed to secure America's electricity grid system are being funded by the Department's Office of Electricity Transmission and Distribution. Many entities in Washington State, including the Pacific Northwest National Laboratory, have formed an Alliance that is working closely with the Department to help bring these technologies forward. I strongly support the GridWise and GridWorks programs and seek your support. Do you plan to make research and development through these programs a top priority?

Answer. I appreciate your support for the efforts of the Office of Electric Transmission and Distribution and if confirmed, look forward to working with you on programs like the GridWise and GridWorks programs.

Question 200. As you may know, I sponsored legislation in the last Congress to support the Genomes to Life program at the Department of Energy. I strongly support an expanded program and development of research centers to support this goal. Last year, the Office of Science released a Twenty-Year Facility Outlook that included four Genomes to Life centers. The FY05 Energy and Water Development appropriation includes \$10M to begin preliminary design of the first facility. Are you committed to fulfilling the implementation of the 20-year strategy, including the four GTL centers?

Answer. I will need to familiarize myself with this 20 year strategy for science facilities, if I am confirmed as Secretary. But, I can assure you that if confirmed, maintaining a robust scientific infrastructure will be an important priority for me.

Question 201. Last week, the Washington Post reported that the Bush administration's budget request would freeze most spending, including science, and slash or eliminate dozens of federal programs. In my view, this is a very short-sighted approach to ensuring the economic future of this country. In my state, for example, the DOE's Office of Science invests more than \$135 million a year in university grants and in support of the Pacific Northwest National Laboratory. Can you share with us your commitment to science and R&D investments being made at the Department of Energy?

Answer. The Department of Energy has a responsibility to maintain America's world leadership in Science. The Pacific Northwest National Laboratory certainly plays a key role in the Department's and the Nation's scientific enterprise and, if confirmed, I will pay very close attention to how we nurture that important asset in your state. While we pursue the President's commitment to deficit reduction, I can assure you that I will also work to maintain and improve upon America's scientific infrastructure that is the envy of the world.

QUESTIONS FROM SENATOR CORZINE

Question 202. Dr. Bodman, please allow me to apologize that the inclement weather has prevented me from attending the hearing on your nomination. I congratulate you on your selection by the president.

As you may know, New Jersey has one of the nation's cleanest electricity-generation infrastructures. About 75 percent of our State's electricity comes from sources that generate little or no pollution. However, New Jersey suffers from poor air quality, one-third of which can be traced to out of state sources—coal-fired plants in particular—according to the Board of Public Utilities.

Currently, my state confronts the potential retirement of one nuclear facility whose license expires in 2009 and seven other facilities, which represent 9.8% of New Jersey's peak demand. According to the DOE's Annual Energy Outlook, it can be expected that without action, the market will naturally gravitate back to construction of new coal-fired plants. I cannot impress on you how devastating this would be for New Jersey.

My State has passed a Renewable Portfolio Standard, which mandates that New Jersey utilities generate 20% of their electricity from renewable sources by 2020. However, this does not protect New Jersey from the increased use of coal outside its borders. Do you agree that it is a pressing national concern for us to reduce the usage of high polluting fossil fuels, and what sort of actions do you plan to take to reduce use of those fuels?

Answer. If confirmed, I will pursue a balanced strategy of promoting energy efficiency, renewable energy, new emissions free nuclear generation, as well as cleaner-burning fossil fuel plants.

Question 203. Dr. Bodman, as you have made clear, one of your major goals is the opening of a federally-managed nuclear waste repository. While I have expressed concerns about the particular Yucca Mountain site, it is important to me that the spent fuel stored at New Jersey's nuclear plants is stored in a well-guarded location where the radioactive material may deplete.

However, transporting this waste from on-site spent fuel pools at Oyster Creek, Salem and Indian Point will likely require the radioactive material to travel on rail lines through 11 of New Jersey's counties, and through the heart of two of its cities—Camden and Trenton. Considering the other week's rail disaster in South Carolina where 9 people died from a chlorine gas leak, what are the steps you will encourage the DOE and other agencies to take to ensure that the nation's rail infrastructure is safe enough to transport radioactive nuclear waste through populated regions? Furthermore, are there other solutions to the spent fuel issue—such as reprocessing—that you plan on pursuing as Secretary of Energy?

Answer. The safe transportation of nuclear materials will be one of my top priorities. I understand that the transportation of nuclear materials has a remarkable history of success in this country and abroad. I appreciate your concerns about the chlorine incident, but I also understand that spent nuclear fuel is shipped in robust containers and, given the nature of the material, does not present the same transport risk. Please be assured that, if confirmed, I will take steps necessary to continue the safe transport of nuclear materials.

Relative to the second part of your question on reprocessing, if confirmed, it is my intention to analyze all reasonable solutions to the spent nuclear fuel issue.

Question 204. In addition to mandatory standards, the nation's transmission grid would benefit from the increased development of regional transmission organizations. New Jersey's electricity regulators, electric utilities and consumer groups have all cited New Jersey's membership in the PJM grid as a critical reason our state avoided the worst of the blackout that created an economic and security scare.

With a birds-eye view over the entire transmission network, PJM ensured that the disruption on its grid was contained. Furthermore, as part of PJM's Regional Transmission Expansion Plan, \$207 million in electric transmission system upgrades had been completed in New Jersey alone by February 2004.

The lack of coordination and investment in neighboring regions eventually led to the disruption of power to more than 1 million New Jerseyans who are on a well-maintained and well-managed grid. Can northeastern consumers expect to see more support from the DOE for FERC's efforts to expand RTOs, considering that this lesson has taught us how invaluable a regional transmission organization can be to our security, economy and public health?

Answer. Yes.

Question 205. Over the past four years, the Administration has pushed for an inventory of oil and gas resources on the outer continental shelf. Many coastal members of Congress were shocked to see such an inventory even make its way into legislation, considering that there are long-standing moratoria on Atlantic seaboard oil and gas exploration. However, it has been made clear that some members of Congressional leadership see opening ANWR to oil and gas leasing as a "precedent" that they hope to set regarding drilling in environmentally sensitive areas.

Knowing that you support opening ANWR to oil and gas exploration, would you support making permanent the moratorium on oil and gas development off the mid-Atlantic coast?

Answer. While I am not familiar enough with the issue at this time to make a commitment for such action, if I am confirmed I will look forward to working with you and other interested parties to determine the best course of action in this area. I share the President's commitment to a moratorium for oil and gas development off the mid Atlantic coast through 2012.

QUESTIONS FROM SENATOR SALAZAR

Question 206. Next month, the National Renewable Energy Laboratory (NREL) will break ground on the Science and Technology Facility—the first new research laboratory on the lab's main campus in nearly a decade. The new facility will house key elements of NREL's world-class research in hydrogen and other promising renewable energy technologies and will push the envelope on sustainable, energy efficient building design. Construction of the facility is scheduled for completion in early 2007. Will DOE request from Congress the final capital construction funds in FY 2006 to complete this critical new lab building to help our nation meet its future energy needs?

Answer. It is my understanding that ground was broken for this facility several months ago. While I have not been briefed on the President's 2006 budget, I have been told that this project has been fully developed and approved under the provisions of both the Department's and OMB's guidelines for the construction of major projects.

Question 207. Several of my constituents recently participated in a tour of the NREL facility, and I was surprised to learn that it does not operate around the clock, even though there is a long waiting list of companies hoping to use the lab's equipment to test their prototypes of wind turbines and other wind technology. It seems to me that a modest increase in NREL's budget, which would permit the facility to operate 24/7, would repay itself in dividends several times over. Will you support increased funding for R&D and other operations at DOE renewable labs in Colorado and elsewhere in the nation?

Answer. If confirmed, I will be happy to explore the feasibility of operating the laboratory's wind test facilities on an expanded schedule. With respect to increased funding, future funding requests will depend, as you know, on a variety of factors.

Question 208. The Department will soon complete the environmental cleanup of its Rocky Flats plant west of Denver. In general, the cleanup has progressed well. But, as at many contaminated sites being cleaned up across the country, some contamination will remain in the ground. A part of the site will be designated a National Wildlife Refuge. It will be necessary, therefore, to impose certain restrictions on land use to ensure that the remedy remains protective of human health.

Because existing legal mechanisms to restrict land use are not adequate for this purpose, many states have adopted or are adopting legislation to create enforceable use restrictions, or "institutional controls." In 2001, the Colorado Attorney General's

office drafted and sponsored such legislation, and, with the support of the Colorado Department of Public Health and Environment, the General Assembly passed the legislation unanimously. Governor Owens signed it into law.

Colorado's institutional control legislation enjoyed strong support from both industry and the environmental community, because it reduces cleanup costs and it makes cleanups safer and more reliable. Colorado's legislation served as the model for the Uniform Environmental Covenants Act, which is now being considered in a number of states across the country.

Federal agencies were among the most outspoken supporters of the legislation, urging EPA and the states to rely on institutional controls to reduce cleanup costs. Yet, now that states are moving to create enforceable, effective institutional control laws, federal agencies, including DOE, have refused to comply with these laws. At Rocky Flats, for example, DOE, the State of Colorado, and EPA are in general agreement on the use restrictions that should apply to the site. But DOE has refused to put those restrictions in an environmental covenant, as required under state law. DOE has refused to comply with other states' institutional control laws as well. This refusal has raised serious questions about the long-term reliability of the cleanup now underway at DOE facilities across the country.

Under your leadership, will the Department of Energy comply with state institutional control laws?

Answer. As I stated at the confirmation hearing, I am unfamiliar with the specifics of this issue but would be happy to look into it and discuss the matter with you.

Question 209. I strongly urge the Department to adopt a policy to comply with state institutional control laws. These are valid state laws. They enhance the safety of cleanups, and the cost of compliance is minimal. In my judgment, DOE is required to comply with these laws under the Federal Facility Compliance Act. If the Department does not intend to comply with state institutional control laws, then I ask that you provide me with a detailed legal justification for your position.

Our nation uses more energy resources than we can produce domestically. The millions of barrels of oil that we import every day impose both economic drains on our economy and threats to our national security. There are two ways to attack this problem. We can produce more oil domestically or we can consume less oil.

Do you agree that a policy that focuses only on increasing domestic production and ignores steps to reduce consumption (e.g., through conservation) is missing important options that could reduce our dependence on foreign oil, help our economy and increase our energy security?

Answer. I agree. In fact, roughly half of the recommendations in the President's National Energy Plan pertained to energy efficiency and the expanded use of renewable energy.

Question 210. Will you support the development of clean energy technologies and energy efficiency research within the context of the Department's overall energy policy?

Answer. Yes.

Question 211. In my view, we are a long way from tapping the significant untapped potential for renewable energy resources and increased energy efficiency. New Mexico Governor Bill Richardson recently stated that we should be making greater efforts to promote renewable energy sources in the Rocky Mountain region. Governor Richardson and Governor Schwarzenegger of California have taken the lead within the Western Governors' Association to develop a plan to implement that association's recently adopted resolution on clean energy.

What will you do as Secretary of Energy to assist these efforts to augment our nation's energy portfolio with a more meaningful contribution from renewable energy sources, increased energy efficiency, and clean energy technologies?

Answer. I am informed that representatives of the Western Governors' Association have recently met with top officials of the Department to discuss ways we might be of assistance. Should I be confirmed, I will be happy to engage in that dialogue as well.

Question 212. How will you help position American firms to be competitive in a global economy that will increasingly be powered by renewable energy sources?

Answer. I understand the new Science and Technology facility as well as the existing wind test facilities at NREL are unrivaled anywhere else in the world, and are available on a priority basis to American firms. Should I be confirmed, I will work to ensure that we continue to partner with American businesses at these facilities, to help ensure that they can be global technology leaders.

Question 213. A study released last week by DOE's Lawrence Berkeley National Laboratory showed that national standards for energy efficiency and renewable energy would produce "sizeable" savings for consumers on their natural gas bills, and

that associated reductions in the cost of natural gas would be “effectively permanent”—with customer savings ranging from \$10 billion to \$74 billion, depending on the scope and rate of policy implementation. According to the DOE study, new power generation from wind costs about 3.5 cents per kilowatt hour, compared to about 4.5 cents for new coal generation and 6 cents or more for gas-fired generation.

I find this DOE study about energy efficiency and renewable energy sources encouraging. Reducing natural gas demand will also put downward pressure on natural gas prices. How do you propose to implement the findings in this DOE study?

Answer. I have not reviewed this particular study, but I understand that the study validates the Department’s approach in many respects. For example, DOE has sought to bring down the cost of wind technology and other renewable energy technologies, and the Department’s R&D efforts are clearly having an impact. With regard to the broader policy implications of this study, I will be happy to review the study more closely with those implications in mind should I be confirmed.

Question 214. What other policies would you advocate to reduce the demand for natural gas?

Answer. Most of our natural gas is consumed for a variety of industrial, residential and commercial uses as well as for electricity generation. Therefore, there is no single or simple preferred approach to reducing demand for natural gas. However, we should continue to pursue our diverse portfolio of activities that promote energy efficiency. In addition, we should also be working to diversify our methods of electricity generation (including emission free sources such as wind and nuclear), and providing new supplies of natural gas through domestic exploration and production, the gas pipeline from Alaska, and new LNG terminals.

I recognize that both traditional and non-traditional resources will play an important role in meeting the energy needs of the West and the country as a whole. We may need to increase our domestic production of oil and natural gas, and we can do that in ways that do not harm the environment. But some places should not be drilled because they are just too valuable for protection of wildlife habitat, aquatic resources and other special environmental, scientific and recreational values.

Question 215. What criteria would you use to determine whether certain areas should be off limits to oil and gas exploration and development in order to protect special environmental values?

Answer. These decisions are made generally by the Department of the Interior through its land management planning process and the Congress through its designation of wilderness and other specially protected areas. If confirmed, I will work through the interagency process to achieve the appropriate balance between environmental protection and resource development.

QUESTIONS FROM SENATOR SNOWE

Question 216. One of the most important programs administered by the Department of Energy is the federal civilian used nuclear fuel disposal program run by the Office of Civilian Radioactive Waste Management (OCRWM).

The safe decommissioning and reuse of the site of a closed nuclear power plant is very important to my State of Maine. The biggest impediment to the completion of these efforts is ongoing problems that have prevented the Department from sustaining an effective program for used fuel and other radioactive material management.

As you seek to become Secretary of the Department of Energy, I ask for your answers and views to the following:

Some have suggested that it might be prudent for the Department to utilize the facility in my State of Maine, and the several other single-unit decommissioning sites, as a pilot program that would demonstrate the Department’s ability to manage and move spent fuel and other material covered by the contract between the government and utilities. Recognizing that the Department has authority under the Standard Contract to make adjustments to acceptance schedules for such sites, do you agree it is feasible and useful for the Department to move forward with the contract holder utility in my state to develop a realistic program plan, with informed milestones and concrete actions including options to remove used material from the site by the end of the decade, as part of such a pilot program?

Answer. I understand the importance of removing spent fuel from your state and other states around the nation. The idea of undertaking a pilot program is an interesting one, but at this time I am not fully familiar with the specifics. If confirmed, I will be happy to entertain and evaluate such a suggestion.

Question 217. Over the years, the Department has seemingly taken different positions on the use of private sector dual-purpose, NRC licensed storage and transport systems as part of the civilian spent fuel management program. During much of the

1990's the Department encouraged these private sector initiatives and several have been deployed at reactor sites, including the reactor site in my state. More recently, again in the context of litigation, the Department has reversed its position and declared that the material in these systems is no longer a standard waste form for the purpose of its removal from the site. Can you assure me that you will carefully examine this issue and restore a common sense and sound safety approach that utilizes these private-sector systems in the Department's waste management system?

I trust you will, upon confirmation, reinvigorate the Department's efforts to effectively manage its obligations regarding used civilian nuclear fuel and related material. I look forward to your response.

Answer. I understand the importance of removing spent fuel from your State. I appreciate your question concerning the use of storage and transport systems as part of the civilian spent fuel management program. As you may know, this matter is the subject of ongoing litigation so I am unable to provide you a more detailed response at this time. If confirmed, you have my assurance that I will review this issue

QUESTIONS FROM SENATOR SCHUMER

Question 218. Mr. Bodman, in light of the Department of Energy's previous investment of research dollars in high temperature superconducting (HTSC) technology, the necessity to renew the power grid to restore reliability in a more environmentally friendly manner, and the need to keep pace technologically with foreign competitors, would you agree that it is important for the Department of Energy to increase its funding levels for HTSC research? As Secretary of Energy, would you support such increases?

Answer. I understand that the Office of Electric Transmission and Distribution, responsible for superconductivity research, has not received the amounts for superconductivity research that have been sought in the President's budget. If I am confirmed, I will be pleased to work with you to ensure that the program receives the funding level the President has sought for this work.

Question 219. Mr. Bodman, as the next Secretary of Energy what steps would you take within the Department of Energy through its Office of Electric Transmission and Distribution, and in coordination with Congress, to ensure the sustainability of HTSC research and development in the United States?

Answer. I will be pleased to explore this question with you should I be confirmed, but as I indicated earlier, it is important that we receive funding for the program in line with the President's budget request.

Question 220. Last year witnessed record high crude oil prices, surging global energy demand, and continued actions by OPEC designed to allow its member countries to gain windfall profits from high oil prices. Mr. Bodman, in light of the fact that these trends show strong signs of continuing in 2005, how would you, as Secretary of Energy, take steps to persuade OPEC to help maintain reasonable oil prices?

Answer. I understand that the Administration maintains contact with both producing and consuming nations, and if confirmed, I would anticipate continuing discussions with all producers relating to production policy. It is in the interest of all parties to maintain a healthy, growing global economy, and producing nations need to ensure that the markets are adequately supplied so as to allow this growth to occur.

Question 220a. Under what economic conditions, if any, would you consider using the Strategic Petroleum Reserve as a hedge against OPEC market manipulation?

Answer. The SPR is a national security asset, to be used only in the case of a severe disruption to our energy supply. The Administration's record on SPR policy has been well established over the past 4 years.

Question 221. Mr. Bodman, would you provide your views on the impact that developing world's continuing industrialization and growing energy demand is going to have on the world markets, particularly in oil and natural gas?

Answer. The world's demand for oil and natural gas will continue to grow over the medium and long term, with the bulk of the forecast demand growth expected to occur in the developing countries of the world. Meeting those growing demands will increasingly become a common concern of producers and consumers alike. The President's National Energy Policy (NEP) lays out a number of suggestions for productive engagement with the rest of the world that will help to ensure that economic investments in needed resource development occur in a timely manner leading to an improvement in the world's access to oil and gas resources.

We continue to believe that the world will be best served in the long run by allowing energy markets to function freely, by opening markets to free trade and invest-

ment in natural resource development, and by supporting continued research, development, and commercial deployment of new technologies that enhance efficiency and augment supplies.

Question 222. What steps can be taken to anticipate and mitigate any severe economic impacts that may result from a surge in global energy demand?

Answer. Growing energy demand accompanies a growing global economy, and we all—producing and consuming nations alike—must take appropriate steps to foster a healthy, growing economy. Over the long term, a balanced approach to our energy challenges is in all of our best interests, and for that reason, the President's National Energy Policy focused on both demand and supply elements—increasing efficiency and conservation to help limit demand growth, while increasing the production and diversity of sources and fuels that we draw upon for our energy supply.

These are long term issues, and in the short term we must take care to not act in a manner that will further exacerbate our long term energy challenge.

Question 223. With respect to the transition of Subtitle D of the Energy Employees Occupational Illness Compensation Program Act from DOE to DOL, upon becoming Secretary of Energy could you please provide an update on the following:

What is the status of the transfer of Subtitle D claimant files from DOE to DOL?

Answer. I am aware that the program has been transferred to the Department of Labor, but I have not been briefed on the details of the transfer.

Question 224. How many claims have been transferred?

Answer. I would be happy to ask the Department to provide you with this information. 70

Question 225. How many are pending transfer?

Answer. I would be happy to ask the Department to provide you with this information.

Question 226. When will the claims transfer process be completed? Have all claims files been accounted for?

Answer. I would be happy to ask the Department to provide you with this information.

Question 227. How many claims were filed under Subtitle D at the point that DOE commenced the transition to DOL? Please provide a list of relevant facilities.

Answer. I would be happy to ask the Department to provide you with this information.

Question 228. How many claims were ultimately paid through Subtitle D by the DOE through the end of 2004, at which sites, and for what illnesses? Please identify, if available, the amounts for wage loss and amounts paid or expected to be paid for medical costs.

Answer. I would be happy to ask the Department to provide you with this information.

Question 229. In the 2005 Omnibus Appropriations bill, there was language directing the Secretary of Energy to establish a field resource center in western New York for applicants of the Energy Employees Occupational Illness Compensation Program (EEOICPA). Given the fact that the administration of Title D of EEOICPA is currently being transitioned to DOL, upon becoming Secretary of Energy could you provide an update as to whether the authority over resource centers, particularly the western New York resource center, been transferred as of today?

Answer. I would be happy to ask the Department to provide you with this information.

Question 230. If not, when do you expect it to be?

Answer. I would be happy to ask the Department to provide you with this information.

APPENDIX II

Additional Material Submitted for the Record

U.S. SENATE,
COMMITTEE ON ENERGY AND NATURAL RESOURCES,
January 19, 2005, Washington, DC.

Hon. SAMUEL W. BODMAN,
Deputy Secretary, Department of the Treasury, Washington, DC.

DEAR DR. BODMAN: I am writing to make you aware of an important issue related to national security and the management the National Nuclear Security Administration (NNSA). Specifically, I want to make you aware of NNSA Act (50 U.S.C. 2401 et. seq.) and to seek your commitment to ensure its implementation when you assume the position of Secretary of Energy.

This legislation was enacted in 2002 to make specific reforms to ensure the independence of the NNSA. However, the goal of independence has yet to be realized since passage of this act. With the awesome responsibility of maintaining the reliability, security and safety of our nuclear weapons stockpile, the NNSA must remain focused on its responsibilities and not have its operations, management and budget diverted due to historic and intense bureaucratic wrangling within the Department of Energy.

Even today, it has become apparent that leaders within the Department have failed to fully enact the reforms outlined in NNSA Act. Specifically, the Department has yet to provide adequate staffing in the offices of General Counsel, Chief Financial Officer, Environmental Management, and Security. As such, the NNSA remains beholden to the Department in critical areas for budgetary, legal and security needs. In addition, the Department has failed to fulfill the requirement to provide 300 exempted service positions as authorized by 50 U.S.C. 2407, which will provide the NNSA with the professional and management expertise to effectively operate the NNSA.

Prior to your confirmation vote by the Senate Energy and Natural Resources Committee, I hope to receive from you a commitment that you will fulfill the terms of the NNSA Act, to its full extent. As Chairman of the Energy and Water Subcommittee, you will have my commitment to work with you to provide the necessary resources to ensure that the NNSA has the resources to meet these requirements of the NNSA Act.

Sincerely,

PETE V. DOMENICI,
United States Senator.

DEPARTMENT OF THE TREASURY,
January 25, 2005, Washington, DC.

Hon. PETE V. DOMENICI,
Chairman, Committee on Energy and Natural Resources, U.S. Senate, Washington, DC.

DEAR CHAIRMAN DOMENICI: Thank you for your follow-up letter to me of January 19, 2005 regarding the National Nuclear Security Administration (NNSA) Act, the intent of Congress in passing the Act, and your concerns about its implementation.

As I indicated in my testimony before your Committee on January 19, I will implement the NNSA Act to its full extent because it is my duty, and because I believe, based on my experience, that it can be made to work just fine.

As I become more deeply involved in and aware of issues related to implementation of the Act, I will look forward to further discussions with you and to any recommendations on how to improve the operations of the NNSA. I recognize the tremendous responsibility of maintaining the reliability, security and safety of our nu-

clear weapons stockpile, and the great importance of the related nonproliferation missions. I am committed, as I know you are, to an organizational and management structure that best serves this essential work.

Sincerely yours,

SAMUEL W. BODMAN,
Deputy Secretary.

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