

AMENDMENTS TO THE FISCAL YEAR 1996 APPROPRIATIONS REQUESTS FOR THE DEPARTMENT OF ENERGY

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COMMUNICATION

FROM

**THE PRESIDENT OF THE UNITED STATES**

TRANSMITTING

AMENDMENTS TO THE FY 1996 APPROPRIATIONS REQUESTS FOR THE DEPARTMENT OF ENERGY, PURSUANT TO 31 U.S.C. 1106(b)



SEPTEMBER 6, 1995.—Referred to the Committee on Appropriations and ordered to be printed

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THE WHITE HOUSE,  
Washington, August 4, 1995.

*The Speaker of the House of Representatives.*

SIR: I ask the Congress to consider amendments to the FY 1996 appropriations requests for the Department of Energy.

This transmittal includes budget amendments totaling \$139,735,000 in savings that represent the second installment of "Reinventing Government" initiatives for Department of Energy (DOE) programs. On July 17th, "Reinventing Government" initiatives for DOE totaling \$61 million in savings were transmitted to the Congress as part of my anti-terrorism initiative. In total, "Reinventing Government" initiatives for DOE result in savings of over \$200 million.

These savings proposals follow from a multi-disciplined review of the Department by teams of its own employees, led by recognized and experienced industry leaders. The resulting realignment plan was announced by Secretary O'Leary on May 3rd of this year. The plan contains organizational, legislative, and cost-cutting actions designed to lower DOE's costs while enhancing agency performance.

In addition to the budget amendments that reflect savings from the realignment of the Department, this transmittal includes: (1) a reduction of \$20,000,000 to the request for the Western Area Power Marketing Administration to reflect reduced requirements for the purchase and transmission of electrical power; and (2) an increase of \$50,000,000 to the request for the Naval Petroleum and Oil Shale Reserves in order to maintain full operation of the Elk Hills petroleum reserve.

The details of these actions are set forth in the enclosed letter from the Director of the Office of Management and Budget. I concur with her comments and observations.

Sincerely,

WILLIAM J. CLINTON.





THE DIRECTOR

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

August 4, 1995

The President

The White House

Submitted for your consideration are amendments to your FY 1996 appropriations requests for the Department of Energy (DOE). Included in these amendments are proposals that will produce savings of \$139.7 million in budget authority as a result of the Administration's "Reinventing Government" initiatives for DOE. In addition, an amendment to reduce the request for the Western Area Power Marketing Administration by \$20 million and an amendment to increase the request for the Naval Petroleum and Oil Shale Reserves by \$50 million are also included. In total, these proposals would reduce FY 1996 outlays by \$62 million.

In September, House and Senate conferees will be meeting on H.R. 1905, the FY 1996 Energy/Water Development appropriations bill and on H.R. 1977, the Interior and Related Agencies appropriations bill. While the Department of Energy has been working informally with the Appropriations Committees on the "Reinventing Government" initiatives for the Department, formal transmittal of these proposals would be useful in the context of the upcoming conference.

As described in the enclosures, the savings that would be realized through these amendments are the result of a strategic realignment initiative implemented by the Secretary of Energy. The resulting realignment and downsizing affects 18 budget accounts and will eventually result in the closing of 24 DOE offices. Secretary O'Leary's review of the Department of Energy was conducted by teams of the Department's own employees, led by recognized and experienced industry leaders. Four basic principles were followed to arrive at these reductions:

- o Use of fewer resources by eliminating redundancies, reducing the Federal and contractor work force, and streamlining processes;
- o Reducing overhead expenses so that more program work is delivered for less money;
- o Discarding old work; privatizing, eliminating, or transferring functions that can be performed better elsewhere; and,

(3)

(3)

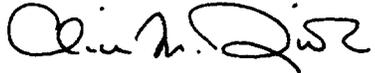
- o Eliminating unnecessary and redundant regulations and red tape that impose excessive burdens on the Department's performance of its missions.

None of the reductions contained in these amendments is expected to prevent DOE from accomplishing its program missions. It is estimated that the number of Federal employees in DOE would be reduced by over 20 percent as a result of implementing these savings initiatives.

In addition to the reduction proposals discussed above, the amendments include a reduction of \$20 million for the Western Area Power Marketing Administration. This reduction is possible as a result of reduced requirements for the purchase and transmission of electrical power. Also requested is an increase of \$50 million for the Naval Petroleum and Oil Shale Reserves in order to maintain full operations at the Elk Hills petroleum reserve.

I have carefully reviewed these proposals and am satisfied that they are necessary at this time. Therefore, I join the Secretary of Energy in recommending that they be transmitted to the Congress.

Sincerely,



Alice M. Rivlin  
Director

Enclosures

## DEPARTMENT OF ENERGY

House Document 109-39 Page	Heading	1996 Budget Request Pending	1996 Proposed Amendment	1996 Revised Request
<b>ENERGY PROGRAMS</b>				
9	Energy Supply, Research and Development Activities	\$3,396,535,000	-\$41,014,000	\$3,355,521,000
This amendment would reduce FY 1996 outlays by \$18,456,000.				
NOTE: The original request in the FY 1996 Budget of \$3,506,035,000 was decreased to \$3,396,535 by a budget amendment transmitted to Congress on February 22, 1995.				
9	Energy Conservation	890,561,000	-16,895,000	873,666,000
This amendment would reduce FY 1996 outlays by \$5,069,000.				
NOTE: The original request in the FY 1996 Budget of \$916,561,000 was decreased to \$890,561,000 by a budget amendment transmitted to Congress on February 22, 1995.				

FY 1996 Budget Appendix Page	Heading	1996 Budget Request Pending	1996 Proposed Amendment	1996 Revised Request
<b>ATOMIC ENERGY DEFENSE ACTIVITIES</b>				
426	Defense Environmental Restoration and Waste Management	\$6,008,002,000	-\$21,266,000	\$5,986,736,000
This amendment would reduce FY 1996 outlays by \$10,633,000.				
428	Other Defense Activities	1,432,159,000	-9,032,000	1,423,127,000
This amendment would reduce FY 1996 outlays by \$6,322,000.				
430	Defense Nuclear Waste Disposal	198,400,000	-347,000	198,053,000
This amendment would reduce FY 1996 outlays by \$312,000.				

FY 1996 Budget Appendix Page	Heading	1996 Budget Request Pending	1996 Proposed Amendment	1996 Revised Request
<b>ENERGY PROGRAMS</b>				
430	General Science and Research Activities	\$1,017,530,000	-\$5,831,000	\$1,011,699,000
	This amendment would reduce FY 1996 outlays by \$4,408,000.			
436	Uranium Supply and Enrichment Activities	42,292,000	-1,754,000	40,538,000
	(In the appropriations language under the above heading, delete "\$77,195,000" and substitute \$75,441,000; and delete "\$42,292,000" and substitute \$40,538,000.)			
	This amendment would reduce FY 1996 outlays by \$1,228,000.			
441	Strategic Petroleum Reserve	212,689,000	-2,345,000	210,344,000
	This amendment would reduce FY 1996 outlays by \$1,290,000.			
442	Energy Information Administration	\$4,689,000	-3,323,000	\$1,366,000
	This amendment would reduce FY 1996 outlays by \$2,160,000.			

FY 1996 Budget Appendix Page	Heading	1996 Budget Request Pending	1996 Proposed Amendment	1996 Revised Request
ENERGY PROGRAMS (Continued)				
442	Energy Preparedness	\$8,219,000	-\$36,000	\$8,183,000
	This amendment would reduce FY 1996 outlays by \$29,000.			
443	Economic Regulation	10,500,000	-428,000	10,072,000
	This amendment would reduce FY 1996 outlays by \$291,000.			
455	Clean Coal Technology	9,981,000	-686,000	9,295,000
	(In the appropriations language under the above heading, delete "\$20,000,000 on October 1 1995 and \$112,000,000" and substitute <u>\$132,000,000</u> ; delete "\$24,981,000" and substitute <u>\$9,295,000</u> ; delete "\$178,000,000" and substitute <u>\$141,686,000</u> ; delete "\$152,898,000" and substitute <u>\$2,828,000</u> ; delete "\$18,000,000" and substitute <u>\$17,314,000</u> ; and insert the following after "program": <u>; Provided further, that funds made available under this heading shall be for ongoing projects regardless of the separate request for proposal under which the project was selected.</u> )			

**Notes:** The amounts made available to the Clean Coal Technology program in P.L. 103-332, the Department of Interior and Related Agencies Appropriations Act, 1995, was \$200,000,000 in FY 1996 and \$287,879,000 in FY 1997. Enactment of P.L. 104-6, the Emergency Supplemental Appropriations and Rescissions for the Department of Defense to Preserve and Enhance Military Readiness Act of 1995, reduced the amounts made available in P.L. 103-332 to \$150,000,000 in

FY 1996 and \$137,879,000 in FY 1997. This amendment has the effect of making \$9,295,000 available in FY 1996, \$275,686,000 available in FY 1997, and \$2,898,000 available in FY 1998. This amendment has no effect on the program's FY 1996 outlays.

The original request in the FY 1996 Budget of \$44,981,000 was reduced to \$9,981,000 by a budget amendment transmitted to the Congress on February 22, 1995. The amendment is found on page 10 of House Document 104-39. This amendment supersedes the February amendment.

FY 1996 Budget Appendix Page	Heading	1996 Budget Request Pending	1996 Proposed Amendment	1996 Revised Request
<b>POWER MARKETING ADMINISTRATIONS</b>				
451	Operations and Maintenance, Southeastern Power Administration	\$19,843,000	-\$14,000	\$19,829,000
This amendment would reduce FY 1996 outlays by \$13,000.				
451	Operations and Maintenance, Southwestern Power Administration	29,778,000	-142,000	29,636,000
This amendment would reduce FY 1996 outlays by \$88,000.				

FY 1996 Budget Appendix Page	Heading	1996 Budget Request Pending	1996 Proposed Amendment	1996 Revised Request
<b>DEPARTMENTAL ADMINISTRATION</b>				
459	Departmental Administration	\$317,138,000	-\$31,309,000	\$285,829,000
	This amendment would reduce FY 1996 outlays by \$20,351,000.			
461	Office of the Inspector General	30,998,000	-302,000	30,696,000
	This amendment would reduce FY 1996 outlays by \$196,000.			

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 To arrive at all of the preceding reductions, four basic principles were followed:

- o Use of fewer resources by eliminating redundancies, reducing the Federal and contractor work force, and streamlining processes;
- o Reducing overhead expenses so that more program work is delivered for less money;
- o Discarding old work; privatizing, eliminating, or transferring functions that can be performed better elsewhere; and,
- o Eliminating unnecessary and redundant regulations and red tape that impose excessive burdens on the Department's performance of its missions.

None of the reductions proposed in these amendments is expected to prevent the Department of Energy from accomplishing its program missions. It is expected that the number of Federal employees will be reduced by over 20 percent as a result of implementing these savings initiatives.

FY 1996 Budget Appendix Page	Heading	1996 Budget Request Pending	1996 Proposed Amendment	1996 Revised Request
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## ENERGY PROGRAMS

438	Naval Petroleum and Oil Shale Reserves	\$101,028,000	\$48,582,000	\$149,610,000
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The amendment adds \$50 million to continue current levels of operations pending the sale or lease. The \$50 million increase is partially offset by a "Reinventing Government" streamlining initiative, which saves \$1,418 thousand.

This amendment would increase FY 1996 outlays by \$19,433,000.

## POWER MARKETING ADMINISTRATIONS

453	Construction, Rehabil- itation, Operation and Maintenance, Western Area Power Administration	310,908,000	-23,593,000	287,315,000
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This amendment reflects a "Reinventing Government" initiative that saves \$3,593 thousand and a reduction of \$20 million to reflect the successful customer load management activities at the Central Valley Project.

This amendment would reduce FY 1996 outlays by \$10,617,000.

